Daily Report

Latin America

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FBIS-LAT-90-221 *15 November 1990*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Social Science Conference Includes Chile *[Santiago Radio]* 1
Brazil Police Chief Addresses Meeting on Drugs *[Rio de Janeiro TV]* 1

CARIBBEAN

Cuba

Castro Greets Guinean President Rogue Garcia *[Havana Radio]* 2
Camacho Aguilera Welcomes Returning Troops *[Havana Radio]* 2
Army Energy, Food Conservation Measures Noted *[Havana Radio]* 2
Court Rules 15-Year Sentence for Economic Crime *[Havana TV]* 3

Inter-Caribbean Affairs

OECS Economies Enter Slowdown Phase *[CANA]* 3

Antigua and Barbuda

Bird Accepts Blom-Cooper's Recommendations *[CANA]* 3

Haiti

New Single-Ballot Voting Procedure Described *[Port-au-Prince Radio]* 4
Body Found Next to Burning Tires in Capital *[Port-au-Prince Radio]* 4
Firemen Extinguish Three Burning Barricades *[Port-au-Prince Radio]* 5
Japan To Send Team To Monitor Elections *[Bonaire Radio]* 5

Jamaica

Government To Review IMF Adjustment Program *[CANA]* 5

CENTRAL AMERICA

Costa Rica

Officials Celebrate Soviet Revolution Anniversary *[ACAN]* 6

El Salvador

Jesuits Pressure U.S. Over Murder Case *[San Salvador Radio]* 6

Guatemala

Serrano Predicts Victory in Runoff Elections *[SIGLO VEINTIUNO 13 Nov]* 6

Nicaragua

Godoy Claims 'Civil War Could Explode' *[AFP]* 7
Troops Surround Civilians at Barricades *[Managua Radio]* 7

Civic Movement To Clear Road *[Managua Radio]* 7
Cardinal Mediation Recommended *[Managua Radio]* 7
Region Five Mayors, Government, Discuss Issues *[Managua Radio]* 8
RNOC Communique Backs Mayors' Movement *[Managua Radio]* 8
Managua UNO Committee Backs Mayors *[Managua Radio]* 9
Former Contras Occupy El Calvario Church *[BARRICADA 11 Nov]* 9
Church Occupants in Masaya Issue Communique *[Managua Radio]* 9

Panama

Foreign Ministry Concerned Over El Salvador *[LA ESTRELLA DE PANAMA 10 Nov]* 10
Supreme Soviet Delegation To Arrive 15 Nov *[LA ESTRELLA DE PANAMA 14 Nov]* 10

SOUTH AMERICA

Argentina

Cavallo To Negotiate EEC Subsidies Reduction *[NOTICIAS ARGENTINAS]* 11
Communist Leaders Resign, Issue Statement *[DYN]* 11
Labor Confederation Ratifies 15 Nov Mobilization *[DYN]* 12
Metalworkers Union Withdraws *[BUENOS AIRES HERALD 15 Nov]* 12

Bolivia

Concern Expressed Over Conflict Among Branches *[La Paz Radio]* 13

Brazil

Foreign Minister Denies Deals With Iraq *[Rio de Janeiro TV]* 13
Former President Confirms Uranium Purchase *[Rio de Janeiro TV]* 13
Economic Team Expects Drop in Inflation *[Rio de Janeiro TV]* 13
* Campaign Against Nuclear Program Scored 13
* 'Disinformation, Unfairness and Bomb' *[O ESTADO DE SAO PAULO 21 Oct]* 13
* Aramar Over Seismic Epicenter *[O ESTADO DE SAO PAULO 19 Oct]* 14
* Lula To Reform Parallel Government *[O ESTADO DE SAO PAULO 14 Oct]* 15
* Quercia To Form Party To Replace PMDB *[FOLHA DE SAO PAULO 26 Sep]* 16
* Miners To Be Tried for Incursion in Venezuela *[O ESTADO DE SAO PAULO 12 Oct]* 17

Chile

Opposition Senator Says Bush 'Persona Non Grata' *[EL MERCURIO 7 Nov]* 18
Van Transporting Prisoner Attacked; 3 Killed *[Madrid EFE]* 18
Government To Discuss Army Promotions Issue *[Santiago Radio]* 18
Foreign Ministry Issues Communique on Grape Case *[Santiago Radio]* 19
Carabineros Station Bombed in La Serena *[EL MERCURIO 6 Nov]* 19
Bomb Explodes at Warehouse in Concepcion *[EL MERCURIO 3 Nov]* 19

Colombia

President Gaviria on Strike, Various Issues *[Bogota Radio]* 19
Bogota Mayor Says Situation 'Cooperative' *[Bogota Radio]* 22
Situation Also Labeled 'Normal' *[Bogota Radio]* 23
Government Minister Gives Opinion *[Bogota Radio]* 23
Union Claims 60-Percent Success Rate *[Madrid EFE]* 23
President Lauds Workers' Efforts *[Bogota Radio]* 24
Telecom Workers' Status Canceled *[Bogota TV]* 24
Army Destroys Important FARC Camps in Meta *[Bogota Radio]* 25
* Government's Financial Reform Proposal Viewed *[EL ESPECTADOR 6 Oct]* 25
* 'Bosses' Defeated in Regional Assemblies *[EL TIEMPO 4 Oct]* 27
* Caraballo on EPL, Constituent Assembly *[VOZ 4 Oct]* 28
* Military Views of Counterinsurgency Situation 29

* Former M-19 Members Active *[EL ESPECTADOR 2 Oct]* 29
* Strategy Revised *[EL TIEMPO 5 Oct]* 29
* ELN Leader Vows To Continue Violence *[VOZ 27 Sep]* 30
* Military Officers Charged in Peasants' Deaths *[EL ESPECTADOR 2 Oct]* 31
* Industry Report: Investment Incentives Needed *[EL TIEMPO 26 Sep]* 32
* Coca Trade, Violence Effects on Putumayo *[EL ESPECTADOR 30 Sep]* 33

Ecuador

* Bucaram's Return From Exile Viewed 36
* Arrival, Speech Noted *[EL UNIVERSO 8 Oct]* 36
* PRE Deputies Speak *[HOY 8 Oct]* 37
* Bucaram's Populism Assessed *[HOY 7 Oct]* 38
* PRE Publishes Interview *[EL UNIVERSO 6 Oct]* 40

Peru

Bomb Explodes at House of Leftist Senator *[Lima TV]* 42
9 Killed in Shining Path Attack on Town *[Madrid EFE]* 42
* Garcia's Future, Populism Assessed *[DEBATE Aug-Oct]* 42
* Impact of Economic 'Shock' Program Viewed *[DEBATE Aug-Oct]* 43
* Obstacles to Economic Stabilization Noted *[CARETAS 9 Oct]* 44

Venezuela

Gaviria, Perez Sign 16-Point Joint Agreement *[Bogota Radio]* 45

Social Science Conference Includes Chile

PY1411212690 Santiago Domestic Service in Spanish 1000 GMT 13 Nov 90

[Report by Antonio Cofre]

[Text] The 14th meeting of the Latin American School of Social Sciences, Flacso, has opened. After 10 years, Chile has rejoined this organization.

The opening ceremony of the 14th Flacso meeting, which will end today, was presided over by (Gregorio Weimberg), an Argentine political expert and sociologist, who emphasized the various programs this organization is developing on our continent. He also emphasized the fact that this meeting is being held in Chile, considering that Chile left the organization in 1979.

The opening ceremony was attended by Education Minister Ricardo Lagos, who was the first Flacso general secretary until 1974. The education minister expressed his satisfaction over the fact that Chile has rejoined this organization and said that Flacso is a pioneer in the development of social sciences in Latin America.

Brazil Police Chief Addresses Meeting on Drugs

PY0911025090 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 8 Nov 90

[Text] Federal Police Chief Romeu Tuma announced today that the Federal Police will fight the smuggling of chemicals used in the cocaine-refining process. He made the announcement in Foz do Iguacu at the end of a meeting on ways to fight the drug trade. The meeting was attended by police representatives from Brazil, Paraguay, Bolivia, and the United States.

Cuba

Castro Greets Guinean President Rogue Garcia

FL1511003390 Havana Radio Rebelde Network in Spanish 0002 GMT 15 Nov 90

[From the "Exclusivo" program by Juan Carlos Roque Garcia]

[Text] Division General Lansana Conte, president of the Military Committee of National Reconstruction and of the Republic of Guinea, arrived in Cuba at 1616 today on an official working visit.

At the foot of the airplane ramp, Conte was received by Commander in Chief Fidel Castro, president of the Cuban Councils of State and of Ministers. Lansana and Fidel reviewed the honor guard formed on the runway at the Jose Marti Airport and then greeted the representatives of the Cuban Government and the Communist Party of Cuba who attended the welcoming ceremony along with the diplomatic corps.

The two presidents then approached the people gathered on the right side of the runway, including Guinean students being trained as technicians and professionals in educational centers in Cuba.

The delegation accompanying the Guinean president includes his wife Henriette Conte, the minister of plan and international cooperation, the public health and population minister, and the director general of the Cooperation Ministry. The delegation also includes the chief of the civilian cabinet of the Guinean Presidency, the ambassador-counsellor, the Guinean foreign minister, and the Guinean ambassador to Cuba.

Div. Gen. Lansana Conte will be in Cuba until Sunday, 18 November. He will hold official talks on Thursday, beginning at 1030. He will also visit sites of scientific, cultural, and economic interest in Pinar del Rio and in the capital, as well as the (Henry Goodboy) School on the Isle of Youth.

Camacho Aguilera Welcomes Returning Troops

FL1511031790 Havana Radio Reloj Network in Spanish 0305 GMT 15 Nov 90

[Text] After completing a mission in the People's Republic of Angola, another group of Cuban internationalists returned home today. They were received by Julio Camacho Aguilera, member of the Politburo of the Communist Party of Cuba [PCC].

At the airport here in the capital, the Cuban fighters were also welcomed by Brigadier Generals Rene Nunez and Santiago Borges of the Revolutionary Armed Forces and the Interior Ministry, respectively.

Adolfo Valdivia, member of the PCC Central Committee, said that some events, no matter how routine become they become, do not lose the slightest amount of their significance and symbolism. He was referring to the ceremony to welcome the internationalists to their homeland. You are returning, Valdivia said, after having made an important contribution to the cause of internationalism, with your heads high, glory on your chests, and with firmer revolutionary convictions.

Army Energy, Food Conservation Measures Noted

FL1511021190 Havana Radio Rebelde Network in Spanish 0020 GMT 15 Nov 90

[From the "Exclusivo" program by Xiomara Gonzalez]

[Text] A special conference of the Communist Party of Cuba [PCC] will be held on Monday, 19 November, at the Central Army Supply Unit. Among other important topics related to the political work of the PCC in the FAR [Revolutionary Armed Forces], the conference will discuss the measures that have been taken by this unit to cope in the special period in times of peace.

It has been said that this supply unit has been traditionally a large-scale consumer of electrical power. Of course, among the measures that are already being taken here are measures to conserve electricity. At this time, the unit is saving 18,976 kilowatt-hours monthly.

To achieve this, an independent supply of electricity has been obtained for the warehouse offices and the communications center command post; 100 internal lamps have been replaced. In general, a more efficient use is being made of air conditioners, fans, the cold storage area—a big consumer—and the hydraulic turbines. This last, of course, also implies a more efficient use of water.

We can say that this Central Army supply unit has made savings in other areas. For example, it has saved some 13,934 liters of fuel monthly, and some 1,024 liters of oil, by improving the methods for verifying combat readiness. The use of rustic stoves to replace gas and oil stoves is one interesting measure, as is the use of local resources such as guano, sticks, and everything that can be burned.

We can say that the spirit of recycling is very high in this Central Army supply unit. Everything that can be recycled is reused, from tires to window panes. Moreover, progress is being made in the food program. At this time, a great many small units are already self-sufficient, and the other units are on the way to achieving self-sufficiency for 1991.

Independen of these achievements, however, the unit is not complacent. As Lieutenant Colonel Leonel Garcia Regalado, chief of the unit's political section, told us a few moments ago, it is possible to do still more with regard to the food program. He said that an effort is being made to stop thinking in terms of caballerias and hectares, and to think in terms of each piece of soil that can be used for planting.

The topic has not been exhausted. In the next few days, we will give further details about all that is being done by the Central Army, particularly by this supply unit, the

second best of its type in the Revolutionary Armed Forces [FAR] for 1989. The unit has set for itself the goal of becoming a FAR vanguard unit.

Court Rules 15-Year Sentence for Economic Crime

FL1511025290 Havana Television Service in Spanish 0100 GMT 15 Nov 90

[Excerpt] The Havana City Provincial Tribunal has sentenced Luis Dominguez Aguedo Cabrera to 15 years imprisonment. The evidence presented by the prosecutor in the course of the trial demonstrated that the defendant, the former administrator of a market in Zone 25 of Alamar, appropriated 57,791 pesos over a period of four months. It will be his civic responsibility to repay that money to the enterprise. It was shown during the trial that the defendant Aguedo Cabrera appropriated money to purchase bottles from the people [as heard], then was able to keep the money instead of depositing it in the bank because of a lack of control over the collection and storage of the product.

The tribunal also levied fines of 500 points for the crime of omission of data. Those fined were Pablo Torres Cedeno and Felix Caraneo Hernandez—economic controllers of the municipal enterprise of retail trade in Havana del Este municipality—who, in auditing the Alamar Market, failed to provide the true data in their reports thereby facilitating the administrator's criminal activities.

The law accords the accused the right to appeal the sentences to the Supreme People's Tribunal.

Inter-Caribbean Affairs

OECS Economies Enter Slowdown Phase

FL1411171590 Bridgetown CANA in English 1547 GMT 14 Nov 90

[Text] Basseterre, St. Kitts, Nov 14, CANA—The economies of the seven-nation Organisation of Eastern Caribbean States (OECS) and Anguilla have entered a slowdown phase after five straight years of robust growth, according to the St. Kitts-based Eastern Caribbean Central Bank (ECCB).

The ECCB, which serves the eight countries, said in its latest annual report that output growth slowed to 4.7 percent last year compared with 1988 when the subregion's Gross Domestic Product (GDP) grew in real terms by seven percent.

The forecast for the current year pointed to a further slowdown in economic growth, expected to be in the region of 3.5 percent. Last year's slowdown was linked to damage caused by Hurricane Hugo and "a less favourable external environment," with respect to the subregion's main Western trading partners, which adversely impacted on tourism growth and earnings from commodity exports, namely cocoa, nutmegs, and bananas.

"The moderation in the rate of output during 1989 was spread widely across sectors, but was particularly evident in the export-oriented agricultural and tourism industries," the report said. Agricultural output, accounting for about 14.2 percent of the sub-region's GDP, declined by 1.6 percent after growing by a sharp 12.2 percent in 1988. Tourism growth, on the other hand, slowed to 4.3 percent from the 1985-88 average of 9.1 percent, as the number of stay-over visitors increased by 3.5 percent compared with 6.4 percent in 1988. Cruise ship passengers, however, fell by 11.5 percent after an increase of similar size the previous year.

ECCB member countries are Antigua and Barbuda, St. Kitts-Nevis, Dominica, Grenada, St. Lucia, St. Vincent and the Grenadines, Montserrat, and Anguilla.

Manufacturing also experienced slower growth, with output rising by 4.3 percent compared with 5.2 percent in 1988. Construction, which expanded at 15.2 percent, was the strongest growing sector in most countries. Its share of GDP rose from 7.5 percent in 1985 to 11 percent in 1989.

The report cited an average 4.2 percent increase in the cost living in 1989. It was attributed to higher prices on imports, reflecting an increase in inflation in the source countries and higher fuel costs. Imports were up 14.2 percent to an estimated 2.6 billion dollars (one EC dollar = 37 cents U.S.), contributing to a significant widening of the current account deficit of the balance of payments from 12.5 percent to 20.7 percent of GDP.

Merchandise exports fell by 9.6 percent to 861 million dollars, with bananas from the four Windward Islands, and cocoa and nutmegs from Grenada registering declines.

A sharp increase in capital inflows, however, helped offset the current account deficit on the balance of payments which showed an overall surplus, equivalent of two percent of GDP in 1989, the report said. The increased capital inflows were associated mainly with tourism related projects and a sharp turnaround in commercial banking flows.

Antigua and Barbuda

Bird Accepts Blom-Cooper's Recommendations

FL1411155090 Bridgetown CANA in English 1353 GMT 14 Nov 90

[Reoprt by Colin James]

[Text] St. John's, Antigua, Nov 14, CANA—Antigua and Barbuda Prime Minister Vere Bird Sr. has accepted the recommendation that one of his sons be banned from holding public office. He has also agreed to the dismissal of Defence Force Chief Lieutenant Colonel Clyde Walker.

During a short radio and television address Tuesday night, Bird said he had accepted four of the recommendations of British jurist Louis Blom-Cooper, who probed a 1989 arms scandal. In his more than 200-page report, Blom-Cooper had recommended Walker's sacking. He suggested, too, that the prime minister's son, Vere Jr., should not be re-instated as public works minister and should not be allowed to hold public office again. Both men had been accused of involvement in an April 1989 trans-shipment of Israeli arms through St. John's to drug dealers in Colombia. They had both pleaded innocence.

In mid-May, the appointment of Bird Jr. as public works minister had been revoked, pending the outcome of the probe. While Bird Jr. said he knew nothing of the arms deal, Israeli officials said he had sanctioned the purchase of the guns and ammunition.

Blom-Cooper had recommended that Walker, commander of the Antigua and Barbuda Defence Force, should be immediately dismissed. Investigators claimed Walker went to Miami in October 1988 and met with a representative of Israeli military industries to place the order for the arms—a charge the defence force chief denied.

Prime Minister Bird said he had also accepted recommendations regarding two customs officers. Blom-Cooper had suggested Boarding Officer Glenton Armstrong should be sacked. Armstrong had listed the arms brought by the Danish ship Else Th as general cargo. Blom-Cooper also thought Junior Customs Officer Sean Leitch, suspended from duty on half pay last April 17, had been treated too harshly. The jurist recommended that he should be reprimanded and reinstated. Leitch had passed the documents, clearing the way for the container of arms to be trans-shipped on the vessel seapoint.

Haiti

New Single-Ballot Voting Procedure Described

FL1411210090 Port-au-Prince Radio Nationale in Creole 1400 GMT 14 Nov 90

[Text] The first ballot of the elections is set for 16 December 1990. The single-ballot system will be used. The Provisional Electoral Council [CEP] has developed a method of voting, which Louis Seize Frantz will tell us more about.

[Begin Frantz recording] On 16 December, for the first time in Haitian history, the Haitian people will freely choose its state administrators. The CEP has established principles the electors must respect for the voting process to run smoothly.

As many people already know, these elections are not going to be held just for the sake of holding elections at any cost. Only those with electoral cards will have the right to vote on 16 December. The president or the secretary of the Bureau for Registration and Vote [BIV] will give each elector five ballot papers. He will choose the candidate who pleases him; the candidate who he thinks can make the changes the society needs. The single-ballot system the CEP has adopted is a means of preventing charges from candidates that more ballot papers had been sent for one candidate than for others, as was said in 1987. Since this is a new system in Haiti, each Haitian needs to know how the ballot papers are set up.

For example, the presidential ballot will be blue. This ballot will include the candidate's picture, his name, the party's logo and number. In this same column will be a white space where the elector will mark the candidate he is voting for. The elector will mark this ballot paper only once.

The color of the senatorial ballot paper is black. The elector will use the same method he used when choosing a presidential candidate, except that he will choose three senators from the geographic department where he lives.

The color of the deputies' ballot is yellow. The elector will choose only one deputy, as he did for president.

The ballot paper for the mayors will be brown. The elector will choose one coalition, made up of three people. Since an elector will be voting for one person within a coalition, he actually votes for th whole coalition. The ballot for the Communal Section Administration Council [CASEC] will be mauve. The elector will again choose one coalition, consisting of three people. Since he votes for one of the people forming this coalition he again votes for the entire coalition

After the elector finishes choosing the five candidates to represent him in the administration of the state, he will return to the table with all the envelopes containing the ballots. The president will then lead him to the box where he will deposit his ballots. The elector will put the ballots in boxes corresponding to each color of ballot paper. [end recording]

Body Found Next to Burning Tires in Capital

FL1411194590 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 14 Nov 90

[Text] The first headline we are going to develop this morning concerns the tires that have been occasionaly burning since the beginning of the week in Port-au-Prince. This morning tires were burning in Portail Leogane [a section of the main street, also called Jean-Jacques Dessalines Boulevard], but that did not hamper the traffic.

Next to these tires was the body of a young man riddled with bullets. Was it the body of a young man killed by Zenglendos, or was he one of the people who were laying down the tires? So far nobody knows. We have to point out that it is since the beginning of the week that tires have been burning, sporadically, and in random locations, similar in pattern to

the period after the 13 March government came to power, especially when Mrs. Trouillot was on tour, the first tour [as heard] in Washington.

During that week, many tires burned, sporadically, and in various locations, indicating nervousness within a certain sector. It may have been the same sector that is now displaying dissatisfaction or signs of nervousness by burning tires in the street.

Firemen Extinguish Three Burning Barricades

FL1411141590 Port-au-Prince Radio Metropole in French 1700 GMT 13 Nov 90

[Text] A barricade was set afire at 1100 around the Public Prosecutor's Department on Pave Street today. While firemen were putting out the fire, two persons were arrested. Military men are now standing guard.

Police promptly intervened in Delmas last night to clear the street of burning tires at the entry of Cine Imperial [movie theater] on Sampeur Street.

Early this morning, another barricade found burning on Fifth Avenue was extinguished.

Japan To Send Team To Monitor Elections

FL1411143890 Bonaire Trans World Radio in English 1130 GMT 14 Nov 90

[Text] Japan says it will send observers to Hati to help monitor the presidential elections of December 16. The observers would be part of a UN monitoring team. Japanese Foreign Minister Taro Nakayama made the announcement during a meeting in Tokyo yesterday with his Haitian counterpart Paul Latortue, who was in Japan for Monday's enthronement of Emperor Akihito.

Meanwhile, in Haiti the election campaigns are in full swing with the 14 presidential candidates holding rallies in different parts of the country. Other major candidates are the Catholic priest Jean Bertrand Aristide who seems popular among the poorer areas, Louis Dejoie popular in the agricultural sectors, and Mr. L. Bazin.

Jamaica

Government To Review IMF Adjustment Program

FL1411182490 Bridgetown CANA in English 1656 GMT 14 Nov 90

[Text] Kingston, Jamaica, Nov 14, CANA—The Jamaican Government plans to complete a review of its adjustment programme with the International Monetary Fund (IMF) by next January, outgoing Finance Minister Seymour Mullings said on Tuesday.

Mullings, who relinquishes the finance portfolio next week as a result of a cabinet reshuffle, was speaking in the House of Representatives after tabling the letter of intent Jamaica signed with the IMF in connection with the recently modified agreement. The modified agreement was endorsed by the Fund on November 7, and represents a continuation of the existing agreement with the Fund which expired on March 31, 1990. Jamaica failed the net quarterly foreign exchange assets test of the agreement earlier this year, hence the modified accord.

According to the letter of intent, the programme review will cover the functioning of the exchange rate system, progress being made in the implementation of the General Consumption Tax (GCT), management of public companies and the appropriateness of monetary and fiscal policies. The letter of intent which sets out measures already taken by the government, said government will take steps to improve management of public companies. No unauthorised overdrafts with the central bank will be allowed by public companies.

Also, the 12.5 per cent per annum wage guideline will be reviewed next April with companies being allowed some flexibility in bargaining according to their ability to pay. In addition, the limited subsidies on the services of public utilities will be removed next year, and prices will reflect market changes.

Costa Rica

Officials Celebrate Soviet Revolution Anniversary

PA1111025890 Panama City ACAN in Spanish 1627 GMT 8 Nov 90

[Text] San Jose, 8 Nov (ACAN-EFE)—The Soviet Union is willing to contribute to the effort in finding a peaceful solution to the Central American conflicts, Soviet Ambassador to Costa Rica Vadim Rozanov said after stating that "perestroyka" has already knocked on Central America's doors.

Rozanov said the USSR hails the efforts which have been made and offers its contribution so that the budding processes will lead to definitive solutions.

The Soviet ambassador stated this to an audience of Costa Rican Government officials and diplomats from various countries who gathered at the Soviet Embassy on the night of 7 November to commemorate the 73rd anniversary of the October revolution.

To emphasize his statement, Rozanov said the "new nature" of the relations between the Soviet Union and the United States "plays an important role in the region's progress toward peace."

Regarding "perestroyka," the ambassador stressed that it has brought about the downfall of "the fossil models of power and government" which had led his country "to a dead end."

"We are," he said, "at an especially important and crucial moment in the destiny of the country (the USSR). It marks the birth of a new and powerful entity, and the birth is inevitably painful."

The Soviet representative in Costa Rica emphatically said that "we will overcome the difficulties, which are transitory," to give way to "the new peaceful social revolution, a logical continuation of the choice made in 1917," but free of dogmatic interpretations.

Costa Rica and the Soviet Union have maintained diplomatic relations for the past 50 years.

El Salvador

Jesuits Pressure U.S. Over Murder Case

PA1311165890 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 13 Nov 90

[Text] A spokesman for the Society of Jesus in San Salvador has said that the U.S. Embassy's witholding of evidence, as well as the contradictory statements made by military men interrogated in connection with the Jesuit murder case, are a sign that the Salvadoran Army was an accomplice in this crime. Jose Maria Tojeira, the Jesuit provincial for Central America, has said that the inability of military commanders to explain contradictory statements by subordinates and the U.S. Embassy's concealing of evidence are sufficient reasons for thinking that more high-ranking people are involved in the murder case.

During a news conference regarding the first anniversary of the crime, Tojeira admitted that the judicial system has made a serious effort to do a good job and that the Salvadoran Government has backed this effort. Tojeira asked the U.S. Government to deliver all the documents that could contribute to clearing the case. I believe, he said, that a power group within the Armed Forces pressured Colonel Guillermo Benavides into ordering the killings, and this group, he noted, does not necessarily form part of the formal Army structure. Benavides is the main suspect in the crime committed at the Central American University on 16 November 1989. Another nine military men have also been charged with involvement in this crime.

Guatemala

Serrano Predicts Victory in Runoff Elections

PA1411145490 Guatemala City SIGLO VEINTIUNO in Spanish 13 Nov 90 p 10

[Text] Jorge Serrano Elias, the Solidarity Action Movement (MAS) presidential candidate, stated to a dozen foreign correspondents: "Whether or not there are runoff elections, we already know the result: I will be the next president of Guatemala."

Serrano stressed that, despite his limited resources and the little support received for his campaign, "I have no doubts that we will achieve a decisive victory in the electoral runoff."

To this effect, Serrano is preparing to negotiate with other political parties to obtain their support to ensure his victory at the 6 January runoff elections.

The MAS candidate said: "Not only will we negotiate posts in our cabinet, but we will also call for a government of unity—both in the Executive and Legislative branches."

Unfortunately, he added, "I believe the elections are the most discussed topic in Guatemala right now. If the elections were behind us we could have started resolving the country's problems now."

He said, however, that "this does not stop us from starting to organize the government and to discuss the government's transition, because there is no doubt that we will win the runoff."

He was asked about the dialogue with guerrillas, as this matter greatly concerns both the national and the international community. Serrano insisted that "there is no place for a truce or a cease-fire here. The guerrillas and the Army will not accept them."

"We do not demand that the guerrillas surrender their weapons as a precondition to negotiations. We are

willing to continue talking and to propose a procedure for a dialogue until we can offer them the security which they demand to join the country's political life."

Serrano noted that amnesty must be granted to attain peace in the country, adding that this "does not mean that Guatemalans should not be aware that the past Guatemalan policies were incorrect."

Nicaragua

Godoy Claims 'Civil War Could Explode'

PA1511045290 Paris AFP in Spanish 0333 GMT 15 Nov 90

[Text] Managua, 14 Nov (AFP)—Vice President Virgilio Godoy said today that a civil war could explode in Nicaragua if the government of Violeta Chamorro represses the movement of former contras and mayors that has occupied several churches and part of the highway connecting Managua to the Atlantic coast area.

During a news conference Godoy also disavowed Presidency Minister Antonio Lacayo, Chamarro's trusted man, who threatened on 13 November to use the police if the protesters did not end their actions.

"We hope that prudence will prevail and that instead of making threats they will answer the demands of former contra combatants," Godoy said in commenting on Lacayo's statements.

The minister of the Presidency made "unfortunate" remarks against those "who are only trying to achieve their demands in a peaceful manner," the vice president added. The vice president, who is the leader of the Nicaraguan liberals, has disagreed with the president ever since the administration took over last April.

The protest movement was begun two weeks ago by former contras with the support of 18 mayors and followers of the National Opposition Union (UNO), the coalition that supported Chamorro in last February's elections.

The demonstrators are demanding the dismissal of Lacayo, of Government Minister Carlos Hurtado, and of Army Chief General Humberto Ortega.

Godoy noted that the minister of the Presidency "is using a language very similar to that of Gen. Ortega and his brother, Daniel Ortega," former Nicaraguan president and FSLN [Sandinist National Liberation Front] leader.

Troops Surround Civilians at Barricades

PA1411202490 Managua Radio Catolica in Spanish 1130 GMT 14 Nov 90

[Report by Pedro Rafael Garcia]

[Text] Barely three hours prior to the arrival in Juigalpa of the government negotiating commission—comprised of [Deputy Presidency Minister] Jose Adan Guerra Pastora, Santiago Rivas Leclerc [title not given], [Construction and Transportation Minister] Jaime Icabalceta; and [Education Minister] Sofonias Cisneros—we have a last-minute report from the barricaded areas in Santo Tomas, Chontales.

Approximately 50 heavily armed military troops have surrounded the civilians who are at the barricades on the edge of Juigalpa and near El Rama. Members of the democratic movement are talking at this very moment with members of the CIAV [International Commission of Support and Verification] and with Interior Ministry authorities, asking them to immediately withdraw the military forces, who present a threatening attitude, according to reports I received a few minutes ago. This turn of events makes the situation in Region Five increasingly tense, as a government commission is scheduled to arrive in Juigalpa this morning.

Civic Movement To Clear Road

PA1511031990 Managua Radio Corporacion in Spanish 2319 GMT 14 Nov 90

[Communique issued by the Let Us Save Democracy Civic Movement in Juigalpa; date not given]

[Text] The Information and Press Committee of the Let Us Save Democracy Civic Movement, made up of mayors, councilmen, the unified Nicaraguan Resistance Executive Committee, and deputies in Region Five inform the national and international public of the following:

1. In view of the Sandinist media's insidious, defamatory, and misleading campaign against our civic movement, in the sense that there were plans to kidnap President Violeta Barrios de Chamorro, we emphatically reject their ill-intentioned campaign, which was mounted with the diabolic intentions only they can have.

2. We reiterate and stress to the president of the Republic our support and esteem, without renouncing the demands that the people in Region Five have made through the Let Us Save Democracy Civic Movement.

3. We express our faith in dialogue as the best means of finding positive solutions to problems. We are willing to begin talks in this city, and will clear the Juigalpa-Managua road as a gesture of good will and to show our willingness to quickly overcome the current difficulties in this region.

[Signed] Let Us Save Democracy Civic Movement.

Cardinal Mediation Recommended

PA1511021590 Managua Radio Sandino in Spanish 1231 GMT 14 Nov 90

[Text] The bishops of the Episcopal Conference of Nicaragua have been meeting for several days in La Cartuja

Farm in Matagalpa, analyzing the country's political and social situation as well as pastoral matters.

An Episcopal Conference communique, the second in less than a week, has been issued urging the government and the leaders of the protests which have taken place in Chontales to promote a dialogue to eliminate the causes of tension that resulted in the closing of roads in Chontales and Nueva Guinea.

Meanwhile, the government has announced that a delegation composed of Transport Minister Jaime Icabalceta, Education Minister Sofonias Cisneros, Muncipal Development Institute Director Santiago Rivas, and Deputy Education Minister Hortensia Rivas left this morning for Juigalpa. In addition, President Chamorro has sent her secretary, Deputy Presidency Minister Jose Adam Guerra, to Juigalpa to act as her representative.

Meanwhile, Sandinist National Liberation Front leader Luis Carrion has told BARRICADA that if the crisis in Chontales continues, an uncontrollable situation will arise. The people affected by the closing of the Chontales-Managua road could decide to take actions of their own if the conflict lasts much longer.

Region Five Mayors, Government, Discuss Issues

PA1411164990 Managua Radio Sandino in Spanish 1211 GMT 14 Nov 90

[Text] More than 20 mayors from Region One have decided to immediately create commissions whose duty will be to disarm the civilian population, speed up the program for the delivery of land to former contras, and create awareness that political and vindictive interests must be set aside to avoid conflicts such as those that have emerged in Region 5. This was agreed upon during a fraternal and frank dialogue that the National Opposition Union [UNO] and the Sandinist National Liberation Front [FSLN] mayors held yesterday with Deputy Government Minister Dr. Jose Pallais and Dr. Santiago Rivas, president of the Nicaragua Municipal Development Institute and one of the top government negotiators for Region 5.

In view of the demands made by the mayors, Colonel Antenor Rosales, commander of Military Region One, committed himself to marking, as of December, limits in the agricultural areas that were theaters of operation during the war, and to assign border units in the region of Cusmapa, Madriz Department, to fight cattle-rustling activities that are decimating the area's livestock.

Pallais and Rivas promised they would report to top government authorities on the mayors' demands, including their call for the repair of roads in productive zones and for tax exemption on material which is sitting in ports, waiting to be delivered to Region 1 mayors. Pallais and Rivas will also convey to the government the mayors' call for improved communication channels between the central government and the mayors of Nueva Segovia Department.

While the meeting between the mayors and the deputy government minister was going on in Esteli, former resistance rebels seized state institutions in San Juan del Rio Coco, because the National Agrarian Reform Commission has not met all their demands for land. Meanwhile, in Quilali, the UNO extremists who seized that town are still holding it.

RNOC Communique Backs Mayors' Movement

PA1411163390 Managua Radio Sandino in Spanish 1228 GMT 14 Nov 90

[Communique issued by the Nicaraguan Resistance Civic Organization [RNOC] in Managua on 12 November]

[Text] The Nicaraguan Resistance Civic Organization hereby states its deep concern over the violent turn that the situation in Region Five—Chontales and Boaco Departments—is taking and over similar situations taking place in the country with the participation of the people. This association backs the demands of the people in Region 5 and states its solidarity with the mayors and deputies heading the Let Us Save Democracy Civic Movement. The demands presented to the government must be resolved immediately because they are being made by the people who freely elected their regional and local civil authorities.

The communique issued by the Nicaraguan Resistance sector—which is directed by [former contra commander] Ruben—states that in view of regrettable incidents that are producing a number of dead and injured people because of the use of brutal force used by the Sandinist Police and Army against civilians who are peacefully demonstrating for their rights, the association has decided:

1. To strongly condemn the use of violence as a method of silencing peaceful and civic protest demonstrations by Nicaraguan citizens.

2. To ask the president of Nicaragua to request His Eminence Cardinal Miguel Obando y Bravo to act as mediator in finding a positive solution to the problems.

3. To urge the government to rapidly and positively respond to the demands of the Let Us Save Democracy Civic Movement.

4. We urge the Nicaraguan people to speak up in favor of democracy and liberty and to support the authorities freely elected on 25 February.

Managua, 12 November 1990

Nicaraguan Resistance Civic Organization

Managua UNO Committee Backs Mayors

PA1511030090 Managua Radio Corporacion in Spanish 2338 GMT 14 Nov 90

[Communique issued by the Managua Departmental Political Committee of the National Opposition Union (UNO) in Managua; date not given—read by announcer]

[Text] In view of the serious political and social crisis affecting our people, a crisis which the government is apparently unable to bring under control, and in view of the government's inability to present specific solutions which will prevent bloodshed among citizens and major consequences in the uncertain future faced by all the people, the Managua Departmental Political Committee of UNO states to the Nicaraguan people:

1. We strongly regret and disapprove of the decision by Government Ministry authorities to repress with force the citizens who, in a civic attitude, are making their just demands.

2. We deplore the loss of the lives of Nicaraguan brothers who have died at the hands of military authorities, who are clearly taking revenge against civilians they do not believe share their political ideologies.

3. We protest the massacre of civilians in Yolaina, Nueva Guinea, Juigalpa, Boaco, and other areas affected by the current crisis.

4. We express solidarity with the just demands of the mayors of Region Five and the former members of the national resistance, as well as all the social sectors that are struggling for our country's political, social, and economic stability and order.

5. We support all the efforts by the executive branch to solve problems through democratic and civilized means, but not through the force of weapons, which have only left grief and mourning among our people.

6. We call on the executive branch to reconsider its policies and to control the anarchy among its forces before it is too late for everyone.

7. We demand the fulfillment of UNO's original national salvation government program that it offered to the people during its electoral campaign, for a future with order, democracy, and brotherhood.

[Signed] Managua Departmental Political Committee of UNO.

Former Contras Occupy El Calvario Church

PA1411141990 Managua BARRICADA in Spanish 11 Nov 90 p 4

[Text] Around 10 former contras and extremists of the UNO [National Opposition Union], who took over the El Calvario Church in Managua without any opposition, boasted on 10 November that they have the support of the church.

The group told EFE that they will occupy the church for an "indefinite" period of time in protest of the government's noncompliance with the agreements reached during the contra disarmament process last May.

The occupants of the El Calvario Church read a statement signed by the leaders of the former North, South, Central, and Yatama Fronts, in which they presented their demands to President Chamorro.

Church Occupants in Masaya Issue Communique

PA1511040090 Managua Radio Corporacion in Spanish 2345 GMT 14 Nov 90

[Report by Javier Gonzalez from Masaya]

[Text] We are here reporting directly from Masaya once again. In our hands is an official communique handed today to the reporters who are present at the San Geronimo and La Asuncion Churches, which the former members of the Nicaraguan Resistance [RN] have occupied since yesterday. The communique reads as follows:

Movement for Peace and Democracy in Masaya.

We who have risen up peacefully to occupy the San Geronimo Church denounce the following incidents:

1. We experienced a power outage that affected the entire downtown area when a civic and peaceful march had just ended.

2. We also denounce that at the northern flank of the church at 2130 yesterday, we heard many gunshots of various calibers fired into the air, which threatened our lives.

3. At 0255 today, 14 November, we were again the targets of attacks with tear gas at the church's southern flank or rather its western part.

Therefore, we make the chief of the Sandinist Police in this city of Masaya responsible for these incidents, and for any future incidents that we may face.

To our brothers in Regions 5 and 6, we say that they are not alone, that they enjoy the support of Region 4, and that now is the time to ensure compliance with the original program of the government of the National Opposition Union [UNO] which was offered to the Nicaraguan people in the past electoral campaign.

[Signed] Masaya, 14 November 1990

For the sake of peace and unity, civic action on the move.

That was the text of a communique officially handed today to us reporters, who were near the San Geronimo and La Asuncion Churches. The occupants of the La Asuncion Church identify themselves with a blue and white flag, while the San Geronimo Church occupants identify themselves with an UNO flag and a blue and white flag.

The people of Masaya, in support for the demands of the RN members, are now heading downtown, specifically to the San Carlos neighborhood, where they will gather to march toward the San Geronimo Park. This civic march organized by the people themselves will express full support for the demands of the RN members who have occupied the San Geronimo and La Asuncion Churches.

Panama

Foreign Ministry Concerned Over El Salvador

PA1411183090 Panama City LA ESTRELLA DE PANAMA in Spanish 10 Nov 90 p A-1

[Communique issued by the Foreign Ministry in Panama City on 5 November]

[Text] The Panamanian Government hereby voices its concern over the Salvadoran Government's situation because of the imminent danger of a new outbreak of violence in El Salvador.

The Panamanian Government supports all regional initiatives for the rapid pacification of Central America and publicly recognizes the invaluable work performed by the UN Secretary General to put an end to the Salvadoran armed conflict by peaceful and democratic means.

The Panamanian Government, aware of the need to create a climate of national reconciliation in El Salvador, hereby appeals to the conflicting sides to hold a permanent dialogue and make a joint effort to strengthen democracy in El Salvador.

Panama City, 5 November 1990.

Supreme Soviet Delegation To Arrive 15 Nov

PA1511025290 Panama City LA ESTRELLA DE PANAMA in Spanish 14 Nov 90 pp 24, B-10

[All Soviet titles as published]

[Text] A delegation of the Presidium of the Supreme Soviet, the USSR parliament, will arrive in our country tomorrow, 15 November, upon invitation from the Legislative Assembly.

The Supreme Soviet delegation will meet with Deputy Foreign Minister Jose Raul Mulino and other high-ranking government officials.

The delegation from Moscow is led by Georgiy Stanislavovich Tarazevich, member of the Presidium of the Supreme Soviet and chairman of the Council of Nationalities' commission on the policy on nationalities and interethnic relations.

The Russian delegation is also comprised of Nikolai Ivanovich Belyy, member of the Supreme Soviet Foreign Affairs Commission; Lev Petrovich Kartachev, member of the Supreme Soviet Commission for Public Instruction and Education; Aleksandr Dmitriyevich Ignatyev, consultant for the International Relations Department of the Supreme Soviet Secretariat; Aleksey Borisovich Nikonov, adviser for the Latin American Department of the USSR Foreign Affairs Ministry; and Sergey Nikiporov, first secretary of the USSR Embassy in Nicaragua.

Argentina

Cavallo To Negotiate EEC Subsidies Reduction

PY1411175490 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1232 GMT 14 Nov 90

[Text] Buenos Aires, 14 Nov (NA)—Foreign Minister Domingo Cavallo has traveled to Europe to conduct negotiations with EEC officials and express Argentina's "serious concern" over the little progress that has been achieved before the upcoming GATT round of talks.

Cavallo's unexpected trip yesterday took place a few hours after Felipe Sola, the under secretary for agriculture, livestock, and fishing, returned from his European tour. Sola participated in a meeting of the Cairns Group.

The foreign minister will hold "top level" meetings in Madrid, Brussels, and Geneva.

During these meetings the foreign minister will try to find formulas that will break the deadlock on the negotiations to reduce the subsidies granted by EEC countries and the United States.

Both economic blocs have disseminated their proposals for reducing such privileges.

The Cairns Group--which includes Argentina—demands the complete removal of subsidies and all forms of protectionism.

Cavallo also plans to meet with U.S. Secretary of State James Baker, Treasury Director Nicholas Brady, and Agriculture Secretary Clayton Yeutter.

The Argentine foreign minister's goal is to forge "political alliances" that will serve to pressure the EEC even more than its proposal to reduce its subsidies by 30 percent as of 1986. This proposal has been described as "unacceptable."

During a news conference, Sola yesterday emphasized that "if there are no political solutions before the GATT meeting in Brussels, there will be no possibility of an agreement given the EEC's unyielding position."

Communist Leaders Resign, Issue Statement

PY1411174690 Buenos Aires DYN in Spanish 1942 GMT 13 Nov 90

[Text] Buenos Aires, 13 Nov (DYN)—Nine more Communist Party (PC) leaders, among them Enrique Dratman, today resigned their posts and ceased their activities as party militants because of major disagreements with the party leadership.

At the end of last week, 16 PC leaders—headed by Eduardo Sigal—reported to the press that they had resigned on the same grounds.

The "Dratmanists" [named after resigning party militant Enrique Dratman] reported their decision in a statement released to the press today. They stated that their resignations were prompted by "the disregard of the basic tenets of the 16th party congress and by the adoption of sectarian and opportunist practices" by the PC leadership.

The statement, which was released this afternoon, says: "The faction that has taken control over the party has frustrated the hopes of the best party militants and the expectations of broad independent and organized sectors of the left, which for the first time in decades had shown an attitude of appreciation for the PC. The party leadership is mainly responsible for this situation."

"To improve our chances of conducting the fight, we are leaving the party," the statement adds. The Dratmanists note that the situation has caused "a failure that marks the end of a cycle which began in November 1986. The massive withdrawal of militants is the price of our frustration."

The resigning PC members stress that they were labeled "liquidators" [liquidacionistas] by the party leadership, noting "the paradox that the PC is being dissolved by those who claim to be its staunchest defenders."

The statement adds: "The leadership's inability to meet the new challenges and its stubborn refusal to change and to transform the situation are major factors in the serious crisis that has shattered the party." The document is in almost full agreement with the statements by Sigal and the other resigning members.

The long document was signed by Enrique Dratman, Marcelo Arbit, Francisco Alvarez, Jorge Canelles, Unzue Ferreyra, Roberto Paez, Jorge Prigoshin, Nito Racedo, and Silvio Shacter.

The resigning members' document says that the current party leaders "were waiting for an opportunity, which they found in this crisis, to take over the party with attitudes and practices that oppose the tenets of the 16th congress, even though they claim to support such tenets to legitimize their position."

The Dratmanists explained that they are not leaving the party "through emotion or annoyance, because what must be built by and with the people cannot be subordinated to anyone's whim."

"We live in a time of fast developments, and no one has the right to waste time while millions of fellow countrymen starve, confused and skeptical over Menem's betrayal, with the leadership's shady deals, and with union leaders who shout 'struggle' but who end up compromising in government offices or in the luxurious offices of multinational companies," the statement adds.

"We leveled many of these charges in a document that we released in February. They have been confirmed or the situation has become even worse in the past eight months. In that document we charged that the policy of

the masses had been disregarded and has been replaced by accords reached above the party structure and through leadership deals."

The statement notes: "The low profile of the FRAL [Liberation Broad Front], the fact that the United Left has begun to operate as a sectarian accord between the PC and the MAS [Movement Toward Socialism], and the deceptive relaunching of the front—which is nothing but an attempt to calm discontent—prove that we are right."

Labor Confederation Ratifies 15 Nov Mobilization

PY1411034290 Buenos Aires DYN in Spanish 0130 GMT 13 Nov 90

[Excerpts] Buenos Aires, 12 Nov (DYN)—The CGT [General Confederation of Labor]-Azopardo [sector headed by trade union leader Saul Ubaldini] confirmed tonight a mobilization scheduled for 15 November at Plaza de Mayo with the goal of demanding a change in the economic policy, despite proposals by President Carlos Menem for Ubaldinism [Ubaldinismo] to join the participatory commissions operating within the government.

The CGT executive board made this decision at the end of a day of strenuous negotiations involving, among other trade union organizations, the powerful Metalworkers Union (UOM), whose leadership, headed by Lorenzo Miguel, constantly opposed the mobilization and proposed a truce until Menem returns from abroad.

The drastic position taken by the UOM forced an unusual vote at the CGT, the outcome of which—26 to 4—reflected a clear victory by the alliance between the combative sectors [combativos] and the pure Ubaldinist sectors.

The defeat of the metalworkers—Ubaldinism's main support in its confrontation with the Menemists—raises a question as to whether the UOM will remain within the CGT-Azopardo. [passage omitted]

In addition to the metalworkers, the Ultraubaldinist FENTOS [expansion unknown] (sanitary works), whose leader is Ruben Pereyra; URGARA [expansion unknown] (grain controllers); and SUTACA [Sole Trade Union of Argentine Touring Club Workers] (automobile club workers) also voted against the mobilization. Confirmation of the mobilization was promoted by Ubaldini himself, with the support of the combative Victor de Gennaro (ATE) [Association of State Workers] and Mary Sanchez (CTERA) [Confederation of Education Workers of the Argentine Republic], who argued that the promises made by President Menem did not guarantee changes in the economic policy, which represents the principal claim of this trade union sector. [passage omitted]

Metalworkers Union Withdraws

PY1511013490 Buenos Aires BUENOS AIRES HERALD in English 15 Nov 90 p 1

[Text] (DYN-NA)—The powerful UOM [Metalworkers Union] metalworkers union pulled out of the CGT [General Confederation of Labor]-Azopardo [sector led by trade union leader Saul Ubaldini] yesterday in disagreement with tomorrow's day of protest against government economic policy.

"Our position is clear, we don't want to lift the protest but postpone it," UOM union leader Lorenzo Miguel said yesterday, announcing the pullout of his 300,000 member union.

With the removal of UOM representative Hugo Curto from the CGT-Azopardo, the labour grouping led by Saul Ubaldini loses its main "political and labor" ally in its struggle against current economic policy.

The UOM's decision is "final and irreversible," Curto told reporters at CGT-Azopardo headquarters yesterday.

Miguel, who also heads the 62 Organizations, the political wing of the hardline labour faction, said he could not agree with tomorrow's protest after President Carlos Menem agreed to "70 percent" of the demands posed to him by Miguel and Ubaldini at a Government House meeting lat week.

The CGT-Azopardo's ratification of tomorrow's protest "has been the product of a body which has not taken into account the concessions made and the President's positive reply," said Miguel.

But the UOM will not join the pro-government CGT-San Martin or "the so-called independent group of unions," said Miguel. The UOM "will continue calling for the unity of the labour movement," he told reporters at UOM headquarters yesterday.

The CGT-Azopardo is now left with the ATE [Association of State Workers] state workers union (some two million strong) and private service sector unions.

The "National Day of Protest" includes a mass gathering at Plaza de Mayo tomorrow afternoon.

Vice-President Eduardo Duhalde yesterday played down the relevance of tomorrow's protest. "We believe that every day there'll be less people supporting these kind of decisions, because people know that the government is changing the rules of the game ... to produce the transformation we all want," Duhalde said.

In October last year, CGT Secretary-General Saul Ubaldini resisted an attempt to oust him from the country's top labour position by President Carlos Menem, but he could not prevent the CGT from splitting in two.

CGT-San Martin leader Guerino Andreoni has called for a "National Day of Work" tomorrow.

"We don't think (strikes) are the way to solve the serious problem we Argentines are going through," said Andreoni.

In related news, the multisector political alliance currently under formation to oppose Justicialist maverick Group of Eight, wil meet again on November 27.

The protest received the support of the Communist party and the PTP [Public Works Plan] Work and People's Party but not of the MAS [Social Affirmation Movement] Movement Towards Socialism, the Idepo [Peoples Democratic Left] Popular Democratic Left or the PO [Workers Power] Workers' party yesterday.

Also yesterday, posters appeared on downtown city streets linking the CGT-Azopardo protest with former President Raul Alfonsin, Painted Faces military rebel leader former colonel Mohamed Ali Seineldin and MAS leader Luis Zamora. The poster, signed "Menem Peronist Youth," is believed to be the work of pro-Menem sectors.

Bolivia

Concern Expressed Over Conflict Among Branches

PY1411130690 La Paz Radio Fides in Spanish 2330 GMT 13 Nov 90

[Excerpt] The COB [Bolivian Labor Federation] has expressed its concern over the conflict among the government branches. The relentless war between the parties of the pro-government sector and of the opposition following a violent congressional session yesterday is undoubtedly today's main issue. During the session, the lawsuit filed by ruling party lawmakers on alleged malfeasance in office by members of the Supreme Court was submitted to the constitutional committee. Workers and other sectors have criticized this struggle between political and economic interests. [passage omitted]

Brazil

Foreign Minister Denies Deals With Iraq

PY1411122090 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 13 Nov 90

[Text] Foreign Minister Francisco Rezek has stressed that Brazil did not make any deals with the Iraqi Government over the release of the Brazilian hostages. The minister, who today reported to the Senate Foreign Affairs Committee, denied reports that Brazil has failed to conform to the blockade decreed by the United Nations on Iraq. Rezek said that the government has witnessed the negotiations between the Brazilian private enterprises and the Iraqi Government.

Former President Confirms Uranium Purchase

PY1411124890 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 3 Nov 90

[Text] Former President Joao Figuereido has confirmed that Brazil bought enriched uranium outside the nuclear accord signed with the FRG. This information is included in a note that Figuereido sent to the Congressional Energy Committee. In the note, Figuereido explained that for health reasons he would be unable to report to a committee meeting in Brasilia. Figuereido said that he endorses the statement by General Danilo Venturini, who was the chief of the military household in his administration, and that he has nothing to add on the subject.

Economic Team Expects Drop in Inflation

PY1511105090 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 14 Nov 90

[Text] The government economic team has met in Brasilia and has concluded that there are indications that the inflation rate will drop. Minister Zelia Cardoso de Mello met with all ministry secretaries, with the Central Bank president, and with the BNDES [National Bank for Economic and Social Development] president to analyze the economy. No modifications to the Collor plan were considered necessary because during the first days of November there were indications that the inflation rate will drop. In fact, food sales in supermarkets and sales of consumer goods have dropped. This has reduced prices, extended payment terms, and promoted discounts in the deals between the industrial and the commercial sectors. It is expected that the inflation rate will reflect this drop in the near future.

[Begin BNDES President Eduardo Modiano recording] Demand has actually dropped. There were clear indications, particularly in October, that the control policies in the monetary and fiscal sectors are working because demand has dropped. This should be reflected in prices over the next few months. [end recording]

* Campaign Against Nuclear Program Scored

* 'Disinformation, Unfairness and Bomb'

91WP0024A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Oct 90 p 3

[Text] The campaign being conducted both within and outside this country against the Brazilian nuclear program is fed by portions, not always equal, of justified concern, disinformation, and unfairness. We all had legitimate concerns while the scope of the program was nebulous, and poorly concealed by the veil of secrecy thrown over it by colonels who, ensconced in the Secretariat General of the former National Security Council, proceeded as if only they were capable of identifying the national interest, treating as enemies those who dared to disagree or simply exhibited curiosity. As early as the Figueiredo administration, however, a corner of the veil

was lifted, and during the Sarney government the entire program came to light. Since then nothing has been changed, except by the Congress, which established constitutional limitations on the use of nuclear energy; by the Executive Branch, which curtailed the appropriations for the sector; and by the radical militants in the cause of nonproliferation, who make increasingly frenzied use of their flamboyant imagination.

Disinformation and unfairness are ingredients that complement each other. Very often they are the yeast of demagoguery and the fuel of a thirst for power. We must not forget that nuclear energy and power are inseparable terms of the same equation, whether the equation is that of foreign policy, domestic policy, or the policy of groups that flail away at each other in maneuvers designed to build up influence. Whatever purpose they pursue, disinformation and unfairness unite to determine that everything that is done is spurious and no guarantee is sufficient, except unconditional surrender—to what or to whom we do not know—and this, as THE NEW YORK TIMES tells us, means signing of the nuclear nonproliferation treaty and abandoning independent nuclear research projects.

It was not enough, for example, that President George Bush had convinced himself, after consulting with his advisors, that the supercomputer sought by Embraer would be used in aircraft and aircraft parts design. Alleged specialists on Brazil immediately tried to veto the transaction by claiming that the equipment would be used to design the Brazilian atomic bomb and the rocket that would carry it. In a final move, a senator from Wisconsin submitted an amendment to a budget appropriations bill banning the sale of supercomputers to countries that had contributed—even by the individual action of any of its citizens—to the buildup of the Iraqi war machine. Fortunately, common sense prevailed and the amendment has just been defeated in committee, which sends back to President Bush the final decision as to whether to sell that type of data processor.

It is important to stress, however, that Brazilians actively supported this attempt to keep Brazil from obtaining equipment that is in the vanguard of technology and indispensable to the development of certain projects and designs in the aviation, petroleum, and precision machinery industries, to name just a few. All this in order to support a campaign whose purpose is to prevent the building of a bomb that everyone associated with the nuclear program say will not be built, that the Constitution prohibits, and for which this country has neither the technology nor the financial means to build. The result of the campaign is to demoralize our officials—whose word is repeatedly questioned—and to discredit this country. As we said some days ago, Brazil has become the sacrificial lamb.

Now THE NEW YORK TIMES, usually well-informed about Brazil, joins the campaign, using arguments that would be ridiculous were it not for the fact that it furnishes a respected forum for false rumors that have been repeated to excess, and arrogantly intends to put Brazil and President Collor de Mello under the protective custody of its editorial writers. There is no other way to interpret this unfortunate passage: "The United States can help Mr. Collor nudge (away from the nuclear program) his fractious military along by suspending sales of supercomputers the military badly wants." Fortunately, reactions in high government circles in Washington have been calmer and better-informed.

The existence of "a fractious military" is as fanciful as the insinuation, which follows, that Brazil *is* making the bomb. THE NEW YORK TIMES editorial reveals a surprising ignorance in going so far as to suggest that President Collor de Mello "has called for a ban on nuclear tests (sic), even for peaceful purposes, across Latin America." The East Coast editorial writer is unaware that Brazil and Argentina are so concerned about nonproliferation (although not in the terms desired by the Americans and by radical Brazilian ecologists) that they have signed an agreement imposing safeguards on all nuclear material and technology that they export.

The shouting match against the Brazilian nuclear program—there is no longer any reason to call it the "parallel" program—does not end there. The minister of research for Germany has just visited Brasilia to try to renegotiate the German-Brazilian nuclear agreement. As part of the package, he seeks to obtain dollars from the completion of the Angra 2 and Angra 3 power plants, and political dividends from clauses that, by encompassing material produced using the equipment acquired under the agreement, would put the *entire* program under safeguards, even the part carried out by Brazilian scientists with Brazilian funds. This proposal, presumptious as it was, received an unqualified response from Secretary of Technology Jose Goldemberg: "Safeguards will be accepted by Brazil only with regard to the new topics associated with nuclear development, and not in relation to the existing accord."

Disinformation and unfairness do not stop there. The Morro de Ipanema Ecological Unit attached a report to the petition which it is forwarding to the Environment Trusteeship for Sorocaba, seeking the shutdown of the Aramar Experimental Center, showing that the Sorocaba region suffered a mild seismic shock 120 years ago in 1874 and that, therefore, it is risky to permit nuclear facilities in the area. As we said, this would be funny were it not such a serious matter.

* Aramar Over Seismic Epicenter

91WP0024B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Oct 90 p 15

[Text] The Aramar Experimental Center in Ipero, 120 km from Sao Paulo, was built on top of a seismic epicenter, according to a study made by the Institute of Technological Research (IPT). The report was attached by environmentalists to its petition that will be delivered today to the Environment Trusteeship for Sorocaba in

an attempt to close down the center. Aramar has facilities to enrich uranium and develop reactors for nuclear submarines.

"We want to paralyze Aramar and demilitarize the nuclear program," argues Gabriel Bitencourt, president of the Morro de Ipanema Ecological Unit. The IPT data were gleaned from Brazil's first map of seismic risks, made by geologist Jose Augusto Mioto. "The Sorocaba region recorded an earthquake in 1874," says Mioto. "It was a mild shock, with an intensity of five, that did not cause any damage to the buildings." According to Mioto, a similar tremor would not pose any threat to Aramar. "It is impossible to know whether the region might suffer a more severe shock."

Environmentalists are also planning to submit to the court an opinion in which the State Secretariat for the Environment (SEMA) recommends that another environmental impact study be made.

Another criticism leveled by environmentalists is that, under the Constitution, any expansion of a project involving nuclear energy must be submitted to the National Congress. "I do not believe that buildings need the authorization of Congress," said physicist Jose Goldemberg, national science and technology secretary. Goldemberg did not want to express an opinion on the objections of the environmentalists without first examining the studies on which they were based.

A congressional investigative committee (CPI) from the Chamber of Deputies will make an inspection visit to Aramar today. The committee will investigate the Navy's autonomous nuclear program, which is accused of developing the atomic bomb.

* Lula To Reform Parallel Government

91SM0045C Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Oct 90 p 14

[Article by Marcos Emilio Gomes: "Lula Will Reorganize Parallel Government"; first paragraph is O ESTADO introduction]

[Text] The first three months of the "alternative cabinet" have been disrupted by elections, disorganization, and financial problems.

After three months of existence (as of tomorrow), the "parallel government" that was created on the model—and in imitation—of the similar British "shadow cabinet" by Luis Inacio Lula da Silva, runner-up in last year's presidential election, is already about to undergo its first reorganization. To date, the alternative cabinet has truly been a "shadow"—a shadow of the idea that the defeated PT [Workers Party] candidate expounded in the chambers of the Sao Paulo City Council when on 19 December 1989 he conceded—with not a little reluctance—the victory of the then candidate Fernando Collor. Lula himself acknowledges that since then, the plan to keep a close watch on the activities of the Collor administration has not made the progress that was anticipated.

Lula wanted a "parallel government of uncompromising opposition" that would monitor "step by step" the activities of the Collor administration. To date he has contented himself with a "ministerial team" that could be consolidated only after a delay of four months—four months after the president took office—and whose performance has not had even the impact of a "ward boss" for the PT, among other things because the PT supporters who know what the "team" has done since its creation can be counted on the fingers of your two hands.

Two secretaries, two advisers, and a recently-hired office boy constitute, for the present, the human resources at the disposal of the 16 "ministers" that Lula has called on to staff the unpaid cabinet (or "team") of the opposition. A house with seven small rooms and ventilation that leaves much to be desired; two leased telephone lines; and a fax machine—all of it inherited from the alternative headquarters that the PT had set up during the presidential campaign—and a budget of 400,000 cruzeiros per month make up the infrastructure available to the team that has assigned itself the task of scrutinizing Planalto Palace through a magnifying glass.

A Loan

The car and driver that are used from time to time are perquisites that Lula will lose next year together with his status as a member of congress. One million cruzeiros of extra funding was received last week from a prize that the writer Antonio Candido had won and turned over to the parallel government. By Friday much of this money had already been lent to the PT to compensate for the month's inflation.

"The parallel government continues to be a proposal that is in the process of implementation and will be perfected in the coming months, and it still has many problems," Lula acknowledged on that hot Wednesday of last week while he savored a monumental oxtail entree served with polenta at the traditional Brahma restaurant in downtown Sao Paulo. Before dipping his fingers in the finger bowl, the PT chairman gave an analysis of the difficulties that he has faced in getting his idea to take root. He also announced that even before it is operating at full power, his cabinet will undergo several substitutions in the next few days, so as to integrate it into the spirit of a "permanent opposition" that characterized its creation.

An Overhaul

For example, the "minister of Culture," Antonio Candido, will leave the team; he had submitted his resignation the same day he agreed to participate in the experiment. "He has always made it clear that he accepted the job because of my insistence, but he does not have the time, nor the youth, nor the health to carry out his role in the parallel government," Lula explained, but without disclosing the name of his replacement. This process of

overhauling the opposition cabinet is expected to begin tomorrow, when the members of the group hold their third meeting since they took office on 15 July.

The door at the exit will be open for whoever does not have the time or the inclination to continue on the team, and the door at the entrance will be open for invited guests chosen by consensus at future meetings. Lula will try once again to convince other parties to take part in the project. To date, the experiment has been attacked by the PCB [Brazilian Communist Party], ignored by the PSDB [Brazilian Social Democracy Party], and scorned by other parties. Senator Jose Paulo Bisol (PSB [Brazilian Socialist Party], Rio Grande do Sul) and Deputy Cristina Tavares (PDT [Democratic Worker's Party], Pernambuco) agreed to participate on their own account.

An Idea in the Drawer

On its balance sheet of problems and achievements, Lula's cabinet has many entries in the liabilities column to justify, and in the assets column only one event that really made a contribution to the public debate of an important national issue: the "Emergency Education" project, submitted one month ago to minister Carlos Chiarelli together with a program for one of the areas most seriously mishandled by the government. "This program is going to give rise to at least 15 bills in Congress," Christovam Buarque, former rector of the University of Brasilia [UnB], says exultantly. Buarque is the "shadow" of minister Chiarelli and coordinator of the Education program.

Lula explains that this study made progress only because—in view of the financial difficulties and problems with the electoral table of organization—it was necessary to decide on a priority project so that the parallel government could say what its purpose was before it was forgotten as just another good idea filed away in the drawer. The PT chairman does not spell it out, but the facts reveal that another factor contributing to this dismal performance was a large dose of disorganization and lack of interest in certain areas.

Like Sarney

From this point of view, the "cabinet reorganization" appears to be an attempt not to let the idea die. After all, the former rector of the UnB succeeded in implementing his part of the program only because he already had access to a group of former colleagues who have absolutely no connection with the parallel government, the PT, or any other opposition group.

The truth is that not even Lula fought very assiduously for the success of his cabinet. In the first round of the state elections, while he was flying all over Brazil in an attempt to relive the presidential campaign and urge on the PT candidates, the parallel government was left to its own devices, in its modest quarters in Vila Mariana, in the South Zone of the capital. Team projects in the areas of Health, Wage Policy, and Agriculture, for example, could have been announced, but no one was able to decide whether it was a good or a bad idea to do so before the election. "The people are wary of these events that take place on the eve of an election," Lula explained, but then contradicted himself by lamenting the fact that these projects had not been exploited to line up votes for the PT.

In the fashion of the cabinet of President Jose Sarney, Lula's cabinet has made progress in accordance with the effort expended by each individual minister—and in many cases this effort was exactly nil. "My section kept waiting for an opportunity to act," Senator Bisol, who is in charge of the Constitutional Reform section, admits for example. According to the original plan, Bisol had the task of keeping a close watch on the temporary measures taken by the Collor administration, and of supplying the opposition with ideas for the reform of the Constitution that would be carried out by the new Congress. In practice, Bisol says, this process will begin now, when the election has decided who the new deputies and senators will be.

* Quercia To Form Party To Replace PMDB

91SM0045B Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Sep 90 p B-4

[Article by reporter Emanuel Neri in Sao Paulo, in collaboration with correspondent Amaro Lopes in Tocantins: "Quercia To Form a New Party for His Presidential Campaign"]

[Text] Sao Paulo—With an eye on the election to choose a successor to President Fernando Collor, Sao Paulo Governor Orestes Quercia, 51, plans to form a new party to replace the PMDB [Brazilian Democratic Movement Party]. For several months he has been discussing the matter with other PMDB governors and politicians. Last Monday, on the PMDB's electoral program, Quercia made his first public statement concerning the matter. "I shall help to organize a great national party based on my party" (the PMDB), he declared. "I have spoken with leaders in other states, and we are going to organize a modern party—one that will serve as an instrument for the building of a better future."

In explaining the reasons for creating a new party, the governor recalled the origin of the former MDB [Brazilian Democratic Movement] in 1965. "During the period of the authoritarian regime," he said, "I left for the interior of Sao Paulo state to organize the MDB. It was a difficult time, and people were afraid. But we had people of courage who signed the MDB card and founded the party." Yesterday afternoon, after Quercia's statements were repeated on the PMDB program, aides and friends of the governor told FOLHA DE SAO PAULO that the plan is linked to Quercia's 1994 presidential candidacy. Quercia wants a centrist party, a democratic party with a strong social message—a party that will resemble the old MDB.

Quercia's aim in forming a new party is to keep some PMDB supporters who are regarded as a source of

embarrassment from remaining in the PMDB. One of these is Governor Moreira Franco of Rio de Janeiro. He got into trouble in connection with the presidential contest when he disclosed to the press certain matters that he had discussed with Quercia privately. Governor Newton Cardoso of Minas Gerais is not a great favorite of his Sao Paulo counterpart, but the Quercia supporters believe it would be difficult for the Sao Paulo governor to rid himself of Newton. Unlike Newton, Senator Ronan Tito, the PMDB candidate for governor of Minas Gerais, is cited as an important cadre of the new party.

Of the current governors, Quercia maintains close relations with Alvaro Dias of Parana and Iris Rezende of Goias. Other governors who are in good standing in the Sao Paulo statehouse: Marcelo Miranda of MS [Mato Grosso do Sul], Edson Freitas of MT [Mato Grosso], Geraldo Mello of RN [Rio Grande do Norte], and Nilo Coelho of BA [Bahia]. The former governor of Rio Grande do Sul, Pedro Simon, who is running for the Senate, is also on the list. For the new party, Quercia can also count on PMDB candidates who are running for governor in certain states. One of these is Jarbas Vasconcelos of PE [Pernambuco], whose campaign is receiving financial support from Quercia.

Wilson Campos, the current governor of Pernambuco, recently visited the Sao Paulo statehouse, but it is not certain that he will join Quercia's party. In Pernambuco, Quercia can also count on the support of Senator Monsueto de Lavor of the PMDB. Also providing regional support is Marcelo Cordeiro (PMDB, Bahia). The "neo-Quercist" Guilherme Afif Domingos, who is running for the Senate in Sao Paulo under the label of the coalition between the PMDB and the PFL [Liberal Front Party] and PL [Liberal Party], is another conquest for the new party. Afif fell into disfavor in the PL and will probably change his party affiliation regardless of the outcome at the polls.

The "Quercists," however, have still not signed up the PMDB candidate for governor of Tocantins, Moises Avelino, to support the new party. Last Friday the PDC [Christian Democratic Party] candidate for governor of that state, Moises Abrao, accused Quercia of financing Avelino's campaign to "facilitate his own election as president of the Republic."

* Miners To Be Tried for Incursion in Venezuela

91SM0045A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Oct 90 p 14

[Article by Pamela Nunes: "Miners Will Be Tried in Venezuela"; first paragraph is O ESTADO introduction]

[Text] Foreign Minister Rezek is trying to change the hostile atmosphere that characterizes the incident of the incursion across the border.

Caracas—The fate of the nine miners who were arrested two weeks ago by a military patrol on Venezuelan territory is in the hands of the courts of that country. Minister of Foreign Affairs Francisco Rezek said yesterday in Caracas—where he had gone to take part in the meeting of foreign ministers of the Rio Group—that the Venezuelan Government is merely exercising its jurisdiction, adding that "this is legally irreproachable." Rezek tried to mitigate the hostile attitude toward Brazil created by the border incident by declaring that this prospecting is characteristically a private activity that has always bothered the Brazilian Government and now is bothering the Venezuelan Government. "It is an activity that both countries want to see abolished," he declared.

The prominence that the Venezuelan press gave to the border incident unleashed effective behind-the-scenes diplomatic activity within the Rio Group in an effort to avoid any embarrassment for President Fernando Collor. But the success of the mission—which resulted in acknowledgement by Brazil that the miners were indeed arrested on Venezuelan territory—was not complete, because of one detail: the Brazilians remain in custody. Armando Duran, first secretary of the office of the president of Venezuela, stated that they are being held at an Army unit and will be tried in a military court. The situation was aggravated after a binational commission confirmed the existence of a clandestine airstrip built on Venezuelan territory.

Rezek acknowledged that in Caracas he encountered an atmosphere that could be interpreted as indicating the possibility of conflict between Brazil and Venezuela, but he pointed out that ever since the incident occurred the two countries have been thinking and acting in a harmonious manner. The foreign minister attributed the bluster that came in the aftermath of the incident to the pressure that the Venezuelan Government has been receiving from the national congress. "I was told, however," Rezek said, "that in the past few days President Carlos Andres Perez has made statements to the effect that at no time has there been any lack of mutual understanding."

Good Faith

The minister of foreign affairs reaffirmed the Brazilian Government's conviction that the miners had entered Venezuelan territory in absolute good faith. "It is such a mysterious border—with vegetation so dense—that it is not hard to believe they became disoriented," he declared. He said that even government officials of both countries have trouble knowing where the boundary is. To avoid similar incidents, Brazil and Venezuela are therefore expediting the definitive demarcation of their common borders.

Last year about 3,000 Brazilian miners were expelled by Venezuelan authorities for having crossed the border between the two countries. The Venezuelans accused the miners of ravaging their forests and mining gold illegally. Brazil promised to reforest the damaged region and pledged to take measures to prevent Brazilian miners from again entering Venezuela.

Venezuelan Foreign Minister Reinaldo Figueredo Planchart conceded that his government has acknowledged Brazil's efforts to combat the destructive activities of the clandestine miners. He stated that there is "a consensus, and a disposition, on the part of both governments to resolve the problem." Figueredo—who heads the Venezuelan team on the joint commission that will deal with the question—has announced that a new meeting has been scheduled for 12 November in Brasilia where an attempt will be made to establish a permanent system of verification and control of the activities of the miners.

Chile

Opposition Senator Says Bush 'Persona Non Grata'

PY1511105890 Santiago EL MERCURIO in Spanish 7 Nov 90 p C 2

[Text] Valparaiso—Senator Mario Rios Santander of the National Renewal Party [RN] has stated that U.S. President George Bush is not welcome in Chile "and I assume that the government will not welcome him either."

Rios Santander said that before coming to Chile the U.S. President must solve everything related to the marketing orders [preceding two words in English], must lift the Kennedy Amendment, and must make it possible for Chile to enter the generalized system of preferences.

He also added that the United States should stop interfering in the decisions of the Chilean state branches, solve the poisoned grapes case, and pay the corresponding compensation to the Chilean farmers.

The senator asserted: "There are many pending issues, and I do not see that the U.S. Government nor Congress have a positive attitude toward solving them. President Bush is thus not welcome in Chile."

When asked whether the RN bloc will specifically raise the subject, Rios Santander said that a group of senators are very worried because they believe that the policy of the government toward the United States has been very weak, and consequently Chile has been left aside despite the change of government and the transparent foreign and bilateral trade policy.

Rios Santander also noted that foreign trade conducted through diplomatic channels is not as effective as some believe and that although the previous government obviously maintained weak relations with various international organizations, nobody can deny that it managed to place Chilean products in all the markets of the world and that this presented less obstacles than those raised by the United States.

Regarding the U.S. Government pressure over the Letelier case, the opposition legislator said that it is a typical example of the U.S. Government trying to intervene in the decisions of the Chilean state branches. He recalled that the Chilean judicial branch had ruled on that case, adding that the same goes for the Law on Industrial Patents which the Chilean Congress is about to approve. Rios Santander pointed out that the U.S. authorities have termed this "an unacceptable law".

Rios Santander concluded by wondering whether the U.S. Government and Congress intend to revive their imperialist nature which did so much damage to Chile and to the continent. He added: "I reiterate, Mr. Bush is persona non grata in Chile."

Van Transporting Prisoner Attacked; 3 Killed

PY1411210490 Madrid EFE in Spanish 1955 GMT 14 Nov 90

[Text] Santiago, 14 Nov (EFE)—Radio and television stations have reported that two penitentiary guards and one Carabinero were murdered and two penitentiary guards were seriously wounded today when eight unidentified individuals attacked a gendarmerie (penitentiary guards) van in an action in which an alleged political prisoner was rescued.

According to Megavision Channel 9 Television, the rescued prisoner was Ariel Antonioletti, who has been held in the Santiago jail since 26 October 1989. The van was attacked when the prisoner was being taken to a hospital in southern Santiago for a medical checkup.

Police sources identified the dead as penitentiary guards Benjamin Hernandez Aviles and Ricardo Briceno, and Carabinero Alfonso Villegas Munoz; two other penitentiary guards were seriously wounded. According to press reports, a woman who participated in the attack was seriously wounded in the fighting and was abandoned by the terrorists.

General Oscar Tapia, chief of the Carabineros Metropolitan Zone (militarized police), ordered the members of his Santiago unit to search for the terrorists.

This terrorist action occurred a few hours before the National Congress is to debate a government bill to reform the antiterrorist laws, speed up legal procedures, and reduce the jurisdiction of the military courts.

Government To Discuss Army Promotions Issue

PY1411181690 Santiago Radio Cooperativa Network in Spanish 2200 GMT 13 Nov 90

[Text] Defense Minister Patricio Rojas has announced an important change in the relations between the government and the Armed Forces. Rojas announced the beginning of talks with the Army command in chief that seek to regulate the system of promotions within the Army.

Rojas said that President Patricio Aylwin will be informed of the results of the dialogue, thus permitting the completion of the approval of Army promotions in accordance with Article 8 of the Armed Forces organic law.

The minister said that according to the law, the government must now designate the next Defense Ministry chief of general staff and that the inter-institutional position that must be filled next year should fall to an Army officer. According to the law, the position is filled by the head of state at the proposal of the minister of defense, who must in turn consider the proposal from the respective commander in chief.

Minister Rojas emphasized that he believed that the process of changes in the Army will end satisfactorily. The minister refused to confirm recent rumors on the resignation of Brigadier General Carlos Parera Silva, commander in chief of the Metropolitan Region garrison, despite reporters' insistent questions on the matter. We recall that Parera's promotion was not confirmed by the president. According to Army tradition, the promotion of two generals of less seniority would force the general's resignation. This report has not been confirmed or denied. Minister Rojas said that the talks on designations was handled taking into consideration Parera's retirement as well as his continuation at the institution.

Rojas concluded by saying that the idea for the meeting came from the Army.

Foreign Ministry Issues Communique on Grape Case

PY1411114490 Santiago Domestic Service in Spanish 2200 GMT 13 Nov 90

[Text] The Foreign Ministry has issued a communique in which it states that it has not delivered any report on the case of the poisoned grapes to U.S. Ambassador Charles Gillespie.

The communique thus contradicts a statement by National Renewal Party Deputy Federico Mekis who asserted that the Foreign Ministry had sent an advance copy of the report to the ambassador, thus revealing a subservient and naive policy.

The communique reads: The Foreign Ministry has not formulated any report on the case of the poisoned grapes for the State Defense Council; however, the State Defense Council has drawn up a report on the case for the president of the Republic.

The communique adds: the Foreign Ministry has not submitted any report on the case of the poisoned grapes to the U.S. ambassador, but the ministry has verbally informed him of the Chilean Government's decision to carry out the measures it may deem necessary to compensate for the damages caused to the state and to Chilean citizens following the Food and Drug Administration's decision to prohibit the sale of Chilean grapes on the U.S. market.

The communique ends by stating that it is not up to the Foreign Ministry to submit to the honorable Chamber of Deputies a copy of the State Defense Council's report for the president of the Republic.

Carabineros Station Bombed in La Serena

PY1511114690 Santiago EL MERCURIO in Spanish 6 Nov 90 p C 14

[Report by Mario Pena Carreno]

[Text] La Serena—A bomb attack on the Carabineros station in Compania Alta, north of La Serena, caused damage amounting to 180,000 pesos. The explosion occurred at 2330 on 4 November. Unknown individuals planted the bomb between the police station and the San Bartolome School, near a police van. No terrorist group has yet claimed responsibility for the attack.

The bomb was a "Vietnamese cake" [torta vietnamita], comprising 350 grams of ammonium gelignite, bolts, nuts, and scraps of iron. Nobody was injured by the explosion.

The explosion damaged some stables, the police van, the Carabineros chief's private car, and shattered the windows of adjacent houses and the San Bartolome School.

Carabineros personnel found a nylon cord, bolts, nuts, pieces of pipe, and a mechanical detonator at the site.

Bomb Explodes at Warehouse in Concepcion

PY1511115890 Santiago EL MERCURIO in Spanish 3 Nov 90 p c 15

[Report by Luis Aguilera Chanet]

[Text] Concepcion—A powerful bomb has exploded in the Machasa warehouse, at 683 Rengo Street. The explosion destroyed the door and shattered all the windows, but caused no casualties.

The explosion occurred early in the morning on 2 November. It was reported by the manager Camilo Saavedra Salvo, 35, who lives at 27 Luis Acevedo Street in Chiguayante. Acevedo said that the explosion caused damage worth 160,000 pesos.

Carabineros reported that the bomb comprised 800 grams of ANFO [ammonium nitrate-fuel oil blasting agents], 75 grams of Hidrex, and a safety fuse. Leaflets with slogans of the Manuel Rodriguez Patriotic Front were found in the scene.

Colombia

President Gaviria on Strike, Various Issues

PA1411145190 Bogota Radio Cadena Nacional in Spanish 1230 GMT 14 Nov 90

[Telephone interview with President Cesar Gaviria by Juan Gossain in Bogota—live]

[Text] [Gossain] We have contact with President Cesar Gaviria Trujillo. Good morning, Mr. President.

[Gaviria] Good morning, RCN friends.

[Gossain] Mr. President, what information do you have about the situation in the country at this hour of the morning?

[Gaviria] Juan, the situation throughout the country is absolutely calm. I think that the measures we have adopted and the willingness and readiness of all the Colombian people—particularly the working class—have resulted in the present situation—that is, today we will have no conflicts or violence, only peace and work. We have adopted measures to guarantee respect for the Colombians' right to work, and they are working. We have adopted measures that have resulted in the continuation of public transportation services. I believe we will have a peaceful day within an atmosphere of peace and tranquility. I hope we will have nothing to regret.

[Gossain] Mr. President, now that you mention transportation, what report do you have on this? How much of a decrease in transportation services will there be?

[Gaviria] Well, transportation is quite complete in the city of Bogota. There were some problems in other cities, like Medellin, in the early morning hours; however, the public transportation service has returned to normal by now.

[Gossain] Mr. President, does this mean your statement, that no one can stop Colombia, will be complied with throughout the day?

[Gaviria] No one can stop Colombia! We are pledged to transform our institutions and our country; that is why we have called for the creation of a national constituent assembly to be joined by other political groups in our nation. Basically, we want to change our institutions. The problems we have had are the result of so many initiatives that have been brought up for the congress' consideration or for the government to decide upon.

We are fully convinced about this, however, and that is our idea of what a government should do. A government should do things; rule; change our institutions; change the things that have turned this country into an archaic and backward country; and modernize our economic structures. Sometimes we have to adopt decisions that involve some sacrifices, but I believe that those sacrifices will eventually bear fruit and have good results. This country will have more vitality, more capabilities, and more [word indistinct] because we want to leave behind the nightmare of violence.

[Gossain] Mr. President, when did you get up and what report did you receive on the public order—which has visibly deteriorated given the increase of guerrilla actions?

[Gaviria] Well, I start my day very early, as all Colombians know. I usually get up early in the morning, at 0500. That was the time that I started my day today. I talked with the authorities in all the regions of the Republic, and I can say that an atmosphere of peace and tranquility currently prevails. Fortunately, today will be a day of peace and work.

[Gossain] Mr. President, you handled the 27 October strike quite well in your role of acting minister. Do you feel confident that you will be able to handle today's events in the country?

[Gaviria] Well, things seem to be pointing in this direction. I hope that we will be able to end this day in peace, that there will be nothing to regret at the end of the day, and that we will be able to fulfill our hope that this will be a day of peace and work.

[Gossain] President Gaviria, regarding human issues, how do you feel—psychologically speaking—now that the honeymoon with the country has ended and you suddenly face a challenge?

[Gaviria] Well, I feel calm because I know that the obstacles I have encountered are because of our efforts to change things. Changes always involve problems and misunderstandings, but my conscience is clear and I know that we have sponsored a series of initiatives to radically change the country.

[Gossain] Regarding misunderstandings and problems, Mr. President, what about last night's dialogue with the CUT [United Workers Federation] representatives? What kind of agreements were reached before the strike was decreed?

[Gaviria] Well, we had an honest and cordial dialogue with the CUT friends. We certainly tried our best to reach an agreement that would allow them to lift the strike, but this was not possible. Nevertheless, I told them we are willing to maintain good relations with the working class and the labor unions. I hope that, following this strike, they will understand that the government is open, willing to participate in consultations and negotiations, and willing to hear the working class' worries and answer questions.

On this occasion we have opposed a de facto situation that certainly endangers many lives; the situation might eventually be used by subversive or rebel groups to cause destabilization. We have made these decisions to prove that Colombians want agreement, peace, and harmony and that they do not want confrontation.

[Gossain] Mr. President, in view of the fact that drastic measures are always taken and that, in the end, the accusations are always dropped, those who cause disorder or strike illegally are never punished. What will happen this time?

[Gaviria] I believe that the most important thing is that today is calm and that people go to work. Whether or not decisions are made later is secondary compared to today's challenge to demonstrate that we want to work in peace. I believe that is the government's main objective. The government's objective is not to punish but to have a peaceful and calm day.

[Gossain] Mr. President, we have learned from military spokesmen that military operations are being conducted around Casa Verde, Meta Department, where the FARC

[Revolutionary Armed Forces of Colombia] command is located. As supreme commander, what information do you have regarding those operations?

[Gaviria] I know that the Armed Forces are staging operations in the Mesetas area in Meta Department. It is their constitutional duty to enforce the laws in all national territories. It seems that those operations are being carried out in line with their duty, but I do not have any further details at this time.

[Gossain] Mr. President, is it a large-scale operation, and are there any casualties among the rebel forces or the Army?

[Gaviria] I do not have any information on casualties. I have not received a report from the Armed Forces yet.

[Gossain] Mr. President, what does the government think of the peace document—which proposes a dialogue for peace—that was submitted a week ago through the so-called Patriotic Union? Also, what about the murder of six children who were performing a civic duty the day before yesterday in Campo Alegre?

[Gaviria] The government has made an effort to achieve peace. We have looked into what were said to be conditions, requests, or desires of those armed groups. The whole country has supported the call to a constituent assembly. We have offered to ratify the Geneva Convention and have accepted international verification for the peace agreements. We have offered to appoint a commission of notables to negotiate with the rebel groups and have offered to issue a report on human rights in Colombia. Despite the fact that we have taken all these steps, which were supposed to be the main goals, in response there have been attacks on towns, kidnappings, the death of children who were watching a bicycle competition in Huila Department—a number of barbaric acts that have nothing to do with the search for peace.

[Gossain] Mr. President, Congress has commented on the candidates you presented for ad hoc attorney general, and despite the fact that they find the procedure correct, they point out that two of them are over 65 years old—the age for retirement for magistrates—and the other is an official linked directly to you; thus he would not be impartial. Would you be willing to change the list of candidates if the court were to send it back to you?

[Gaviria] I must say that before making a decision I would have to analyze Congress' reasons for doing so, and after meeting with the commission elected by the Chamber of Representatives, I could then adopt a public stance. That happened just last night. I do not have official information yet; therefore I would prefer to abstain from making statements on facts that are not fully known.

[Gossian] The Extraditables have said that they will not free the journalists they have kidnapped. Juan Gomez Martinez, the addressee of The Extraditable's letter, says that it is the government who must now explain whether the human rights of The Extraditables have been violated, and whether there have been kidnappings and incidents of torture. What is your response to this?

[Gaviria] To that Juan, I must say that the fundamental issue is that all government employees in Colombia must respect the laws and the Constitution. Moreover, any excessive actions that may be perpetrated by a government employee must be investigated by a judge and the attorney general's office. This is government policy; we do not support human rights violations. On the contrary, one of the leading issues in my government is precisely the zealous respect for human rights. Of course, you must understand that Colombian authorities must ensure the fulfillment of the Constitution and laws. This is my policy on these issues. I only hope that the hostages will be returned to their homes because I could never, under any circumstances—and I said this in my speech last night—allow the Constituent Assembly to adopt any decisions in a climate of intimidation. The government would strongly oppose this.

[Gossain] Mr. President, 100 days after taking office—with the guerrilla escalation, the drug traffickers' position, and civic work stoppages—do you feel that the government is having some problems or do you believe that you have firm control?

[Gaviria] I would say, of course, that the fundamental issue is that in the case of the drug traffickers, we have attempted to follow the path of justice. We have also tried to find solutions in Colombian justice to problems such as terrorism and other illegal activities. Of course, we have encountered other obstacles that originate from the economic internationalization policy; from the labor reform policy; and from decisions that the country must make if it wants modernization, increased exports, and to truly become a part of the international market. The basic issue is that we truly want to advance toward the 21st century as a prosperous, peaceful country that is capable of changing courses; correcting its past mistakes; producing; and progressing and becoming an exporter that is efficient, has good ports, has air and maritime tariffs that can compete with the international tariffs, is capable of rebuilding its railroad system, and has a labor legislation that will allow it to compete on an international level.

[Gossain] Mr. President, some political sectors have asked foreign institutions and governments to observe the 9 December elections as a sort of international inspectorship. Does your government accept this request?

[Gaviria] I believe that those groups are inviting foreign figures, and we accept the presence of guests to observe our elections. I do not believe that international observers are necessary for our elections. I believe that the electoral system has been cleansed and purified and that no one will dispute the election results. Of course, if

the presence of people from other countries is desired and if guests to the elections are desired, they are welcome to Colombia.

[Gossain] Finally, Mr. President, do you wish to say anything to the Colombian people at this hour when work is about to begin on 14 November?

[Gaviria] What I wish to tell the Colombian people, basically, is that we must continue with the attitude with which we began the day if we all want a day of peace, work, and tranquility—which we have achieved so far—and if we want to spend the day firmly dealing with and resolving our country's problems, not through conflict and confrontation but through understanding and a concerted effort.

[Gossain] Mr. President, thank you very much. You have been very kind to RCN.

[Gaviria] Okay, Juan.

[Gossain] Have a good day.

[Gaviria] The same to you.

Bogota Mayor Says Situation 'Cooperative'

PA1411154690 Bogota Radio Cadena Nacional in Spanish 1318 GMT 14 Nov 90

[Telephone interview with Bogota Mayor Juan Martin Caicedo by unidentified Radio Cadena Nacional reporters in Bogota on 14 November—live or recorded]

[Text] [Reporter] Good morning.

[Caicedo] Good morning. We have been working with enthusiasm since very early this morning, and I see the people are doing the same. This morning, I expressed my gratitude to Bogota residents for their civic spirit. I want to thank the mass transit sector for cooperating with the people of this city and the district employees. There was concern over district employees, and I want to congratulate them today. They have demonstrated that they prefer to have a consensus with the mayor. [Words indistinct] how some things are in the district. Yet they chose to be in solidarity with the people, who do not want any disruption in public services. I think the situation is absolutely normal. I told you this morning that some nails placed on the streets had created some problems for the buses, but that has been completely taken care of. Bogota is providing the country with an example of civic spirit and enthusiasm. I told your colleagues we can declare today a day of work because people are working with more enthusiasm and civic spirit than ever before.

[Reporter] What is the status of Bogota's mass transit service?

[Caicedo] About 45 minutes ago, DAS [Administrative Department of Security] had told us there were some problems south of Bogota because of the nails. Now, the DAS' final report states that the mass transit service is operating at 95 percent capacity in Bogota. Thus, we can say that the problem has been almost totally solved.

[Reporter] What can you say to the teachers? It seems that reports from several schools are saying that teachers are sending students home.

[Caicedo] I told the education minister that schools should function normally. We must tell teachers not to be afraid to have civic spirit. Teachers must teach about a civic or patriotic spirit and the responsibility of citizens. I would say that it makes no sense for teachers, who teach children, to head in a direction that is opposite from the direction in which the rest of the citizens are heading. We must ask those teachers to cooperate and do what the rest of the people are doing, which is cooperating and working normally.

[Reporter] In addition to the education and transportation sectors, what is the situation in the industrial and commercial sectors?

[Caicedo] It is completely normal. I got up early and toured the city. I see that shops that open early are working normally. It could not be otherwise; a shop-owner who closes his doors today will lose money because there are many people in the streets.

[Reporter] How have bus owners behaved? Is it true that they were threatened with sanctions if they kept their buses at the terminals?

[Caicedo] They have been cooperative. They reached an agreement with me yesterday and are abiding by it. I want to say that there was minor vandalism in some areas of Bogota, perhaps in the southern, northeastern, and northwestern areas. Nails placed in the streets damaged some vehicles; however, we have no problem with this group, and they have kept the pact they made with me.

[Reporter] Have there been any arrests in connection with terrorist actions that [words indistinct]?

[Caicedo] We do have some clues, but no arrests have been made yet.

[Reporter] There were disturbances at the National University yesterday. What measures have been planned?

[Caicedo] You have noticed that the city is completely protected. I told reporters yesterday that we had increased security with 1,000 men from the cadets' schools. Security will be increased for the 9 December elections for the Constituent Assembly. Also on 1 December we will begin the "Star Plan" to protect the people during the Christmas season; the plan will end on 10 January.

Situation Also Labeled 'Normal'

PA1411170490 Bogota Radio Cadena Nacional in Spanish 1532 GMT 14 Nov 90

[Text] National Security Adviser Rafael Pardo Rueda has just issued a bulletin reporting that the situation in the country is relatively normal. He said that except for some violent acts that have taken place in the last few hours, the rest of the country is completely calm.

He reported that two buses were seized in Medellin, one in Bogota, and another in La Guajira, and that there have been some minor explosions.

Pardo also confirmed the report aired by Radio Cadena Nacional this morning that military operations are being carried out near La Uribe in Meta Department.

[Begin recording] [Pardo] The public order situation is normal. Transportation in all cities is running normally. There have been no incidents that could affect public order. The people have acted according to their own will by going to work.

[Reporter] So, Mr. Pardo, can we say that the strike has failed?

[Pardo] I believe that the Colombians have responded collectively. They want to exercise their right to work and have done so. [end recording]

Government Minister Gives Opinion

PA1411171690 Bogota Radio Cadena Nacional in Spanish 1345 GMT 14 Nov 90

[Telephone interview with Government Minister Julio Cesar Sanchez by Juan Gossain in Bogota—live]

[Text] [Gossain] Mr. Government Minister, good morning.

[Sanchez] Good morning, Juan, [words indistinct].

[Gossain] Thank you. How are you, Doctor Sanchez?

[Sanchez] To tell you the truth, I have received reports from approximately 14 governors, who report that everything is absolutely normal. Juan, I think that the most important thing about receiving those satisfactory reports is the following: Today we have seen that the public is in favor of peace and a peaceful coexistence rather than a hostile reaction to the call for a strike.

I think that the disturbing events of this weekend and the numerous problems in the country have prompted the Colombians to adopt this silent, but civic, attitude. They have stated their willingness to work, live in peace, and discuss differences—but not in a violent way.

[Gossain] Mr. Minister, we have information that there are serious communication problems, meaning that international telephone lines, telex lines, and facsimile lines are not operating. What do you know about this?

[Sanchez] Yes, some international and national lines have been intentionally interrupted by certain employees—Telecom [National Enterprise for Telecommunications] employees, I think. I will have the precise information in a few minutes, but what you have said is true.

[Gossain] Mr. Government Minister, what do you know about the operations in Casa Verde?

[Sanchez] Well, the report I received from my fellow Cabinet member, the defense minister, says that a series of operations have been carried out in that zone of Meta Department for approximately eight days. These are not part of today's events, not at all. The operations are part of a joint operation being carried out by the respective brigade against a FARC [Revolutionary Armed Forces of Colombia] group which operates in Meta Department.

[Gossain] Do you have reports on casualties?

[Sanchez] No, sir, not yet, but the Defense Ministry might provide us—or you—with the information later on.

[Gossain] The operations are continuing, of course.

[Sanchez] Yes, it is a combing operation.

[Gossain] It was stated that colleges and universities may get involved in today's events. One wonders what will happen at noon, when the national university students usually start throwing rocks.

[Sanchez] Well, a number of safeguards have been adopted. We think, as it was determined yesterday, that most of the university students reject violent demonstrations.

[Gossain] Mr. Government Minister, thank you. We will keep in contact with you to inform the public about the latest developments.

[Unidentified reporter] Mr. Minister, could you give us the latest report from the military and civilian authorities about all the regions of Colombia? Is everything peaceful and normal?

[Sanchez] Yes, it is. Fortunately, the people's reactions has been highly positive and in favor of normalcy.

[Gossain] Thank you very much, Government Minister Julio Cesar Sanchez Garcia. We will remain in contact with you today, 14 November.

[Sanchez] Thank you very much. See you later.

Union Claims 60-Percent Success Rate

PA1411173590 Madrid EFE in Spanish 1628 GMT 14 Nov 90

[Text] Bogota, 14 Nov (EFE)—Relative normalcy prevails today in Colombia, where leading labor unions have called a general strike to protest against the government's economic policy.

In Bogota, where the number of people on the streets has considerably diminished, public transportation is circulating normally, although the number of buses and privately owned vehicles has decreased, and a strong police and military presence has been noted.

The same goes for Medellin, the country's second largest city where, according to mayoral sources, transportation has decreased slightly.

It is difficult, in any case, to know the exact scope of the strike, because on 13 November the government banned strike-related reports from all but government-owned stations.

Union sources, meanwhile, informed EFE that the strike has had a 60-percent success rate throughout the country and that they hope this margin will increase during the course of the day.

The labor unions that called the strike are asking the governemnt to revise its privatization policy and to withdraw the new labor law that congress is discussing. They are also protesting over price increases, particularly those for fuel and public transportation.

President Lauds Workers' Efforts

PA1511022590 Bogota Radio Cadena Nacional in Spanish 0100 GMT 15 Nov 90

[Speech by President Cesar Gaviria at the Narino Palace in Bogota—live; broadcast in progress]

[Text] ...The government interprets the Colombian workers' solidarity as a clear and determined sign of support for our efforts to turn around our institutions and our economic and social structures. They have understood where we are headed, and although they realize that the tasks facing us are not easy ones, they are convinced that the path we have chosen will lead us to a prosperous and peaceful future.

The working class heeded the government's call, and the productive and service activities did not stop. The basic sectors of the economy, such as the cement, construction, finance, food and beverage, transportation, hotel, manufacturing, and energy sectors, worked as usual.

Only a group of Telecom [National Enterprise for Telecommunications] heeded the call to strike, rejecting the sound government initiative to make it compete with public regional telecommunications companies in certain services rendered by this state-owned company.

I wish to especially underscore the exemplary collaboration of the media. While maintaining themselves within the special criteria that we had to establish, they have reported with responsibility on the normal development of work today. I also applaud the decision of all transport workers and owners to unanimously reject the stoppage order because they consider it to be unjustified.

The government reaffirms every Colombian worker's right to engage in legitimate protest; however, as planned, today's actions involved more than peaceful protest. They also involved destabilization. I am sure that the signal sent by the Colombian workers today proclaims the appearance of a strong and democratic union movement, a union movement that is interested in defending not only one sector but in defending all workers equally, and which is capable of taking into account the interests of the unemployed.

The country has a strong, organized, and responsible union movement and not a weak, disintegrated, and anarchical movement, because the former constitutes a true instrument to defend the workers and the latter an element that conspires against its will to progress.

The government could hardly interpret today's activity as a failure of the labor movement. What failed was the attempt to destabilize, which is the usual attitude of rejecting initiatives moved by an eagerness to wage opposition.

The workers have understood that our work focuses on redesigning the current labor legislation to modernize it, bring it up to present times, offer greater guarantees to union activity, and especially create more and better jobs in a country where people want to be allowed to work.

Colombians: As I told you last night, no one can stop this country now. Honest citizens, those who work day after day, who believe in this country's ability to export, grow, and create jobs, and who have already decided to bet on its future, do not want the offerings of the violent minorities. This day of work today and the solidarity that was expressed are evident proof that there is no confrontation whatsoever between the workers and the government.

The future cannot help but reward a nation that at this time feels it has fulfilled a duty and is just starting a process of transformation and change to make a reality of the peaceful revolution that the Colombians are demanding and need. That is our goal. Good evening, and thank you very much.

Telecom Workers' Status Canceled

PA1511030890 Bogota Inravision Television Cadena 2 in Spanish 0003 GMT 15 Nov 90

[Italicized passages are recorded]

[Text] There were no telephone, microwave, fax, or telex services in the country today; therefore, we have not been able to contact our correspondents throughout the country, and we cannot report on the strike situation in other cities. Today the country experienced its most critical day in telecommunications. Colombia is isolated from the rest of the world.

The telephones, telex, and fax services were unable to receive or transmit any information during the day. According to the president of Telecom [National Enterprise for Telecommunications], the work stoppage paralyzed 70 percent of Telecom's services, and by the

evening hours it had became a matter of state security. Members of three labor unions are blocking access to the Telecom offices, and they are not allowing anyone in, not even the press.

According to Telecom, it lost 400 million pesos today because of the situation; however, it is impossible to estimate losses for the entire country. The lack of communications affected the banking system, the media, industries, and all of the citizens.

Sometime during the afternoon today, the government declared the strike illegal and canceled the unions. According to Telecom, the situation will not be normal for several days, and during this time the participants in the strike and the sabotage actions of recent weeks will be dismissed.

At this hour, only 15 percent of the international communications are operating. Telecom has resorted to all sorts of negotiating possibilities, and even though the president of the enterprise had announced that no reprisals would be taken, he insisted that he would adopt strict measures.

Meanwhile, Labor Minister Francisco Posada de la Pena announced today that even though some labor unions called for a strike, the country was not paralyzed. He said the government is not interested in weakening the unions and that the measures issued were only done so to ensure compliance with the law. The government feels that there were some isolated disruptions of labor activities, but this cannot be described as a strike.

[Posada de la Pena] *Several labor unions called for a strike today. Some groups heeded the call, but they were a very small number. The country was not paralyzed at any time.*

The labor minister then listed the government entities where there was some disruption during the day.

[Posada de la Pena] *There were problems in the area of Yumbo in Cali, and at the Ecopetrol [Colombian Petroleun Enterprise] installations in Barrancabermeja early during the day. In Bogota, we had some problems at the National University, and at the Banco de Colombia on Seventh Avenue and 12th Street, where the workers staged a demonstration; however, the situation is normal.*

The minister is pleased with the people's reaction to the labor unions' call. He announced that he will meet with the CUT [United Workers' Federation] tomorrow in an effort to find an agreement with the workers.

With only a few hours remaining before the strike ends, the government thinks the situation is under control; therefore, the labor minister does not intend to lose any sleep over this.

[Reporter] *Did you rest well last night?*

[Posada de la Pena] *I sure did. I went to bed a little late, I rose very early, but I slept well.*

[Reporter] *Do you have a clear conscience and feel you will rest well again?*

[Posada de la Pena] *Not only do I have a clear conscience, but I am glad to have fulfilled my duties.*

Army Destroys Important FARC Camps in Meta

PA1411164590 Bogota Radio Cadena Nacional in Spanish 1337 GMT 14 Nov 90

[Text] Attention, attention, RCN [Radio Cadena Nacional] has new information on the military operations being carried out in Casa Verde and surrounding areas in Meta Department. According to the information obtained by RCN, regular Army forces have destroyed two important Revolutionary Armed Forces of Colombia, FARC, camps in that region. The Casa Acuna camp was destroyed following bombings by four A-37 airplanes and at least six helicopter gunships. The camp is located in the rural zone of Mesetas, enroute to the community of La Uribe.

According to information given to RCN, the general staff of what is known as the FARC eastern front operated in Casa Acuna. It is the second most important FARC camp—the first one is Casa Verde—in which the FARC general staff reportedly operates. Military sources learned that the camp was being extended and reorganized to resemble the Casa Verde camp's installations.

Partial reports have been received on the dead and wounded during the Army operation, which started approximately six days ago. It is officially reported that two soldiers died and four were wounded. It was reported that the rebel forces also sustained casualties. I have the name of one of the dead soldiers—Ruben Dario Bonilla Sandoval—and the names of the four wounded soldiers: Jairo Recalde Espana, Jesus Antonio Delgado, Suverney Blandon Sepulveda, and Humberto Rojas Gonzalez.

Military sources told RCN that the reports on the death of about 30 FARC guerrillas are unofficial. President Cesar Gaviria was interviewed by RCN early this morning. He said that he has unconfirmed reports about the amount of casualties caused during these military operations against the FARC camps in Meta Department.

* Government's Financial Reform Proposal Viewed

91SM0040C Bogota EL ESPECTADOR in Spanish 6 Oct 90 p 7-a

[Article by Henry A. Rodriguez]

[Text] Taxpayers cannot be responsible for the losses of financial entities that are poorly administered and on the brink of bankruptcy. Nor can public funds be used to capitalize such firms.

In accordance with these principles, the government proposed that Congress abolish the "nationalization" of banks and similar companies facing serious economic problems.

However, authorities are aware they cannot remain indifferent to the potential difficulties of those managing money. They therefore believe that "officialization" must be the more orthodox rescue mechanism.

The difference between "nationalization" and "officialization" is that, under the former, the nation replaces the original administrators and assumes complete responsibility for the enterprise. Under the latter, the government, through the Financial Institution Guarantee Fund, underwrites some shares and with its participation recommends and applies corrective measures.

This modification of rules governing the system of the financial market is part of a bill introduced to Congress yesterday by Minister of Finance Rudolf Hommes.

The measure "that provides financial standards, regulates insurance activity, and sets forth other provisions" seeks to grant more freedom to businessmen in this sector of the economy.

The proposal confirms the possibility that foreign investors might take control of 100 percent of the capital of a bank, insurance or financial company.

If this point should be approved, it would modify Law 74 of last year limiting foreign investment to 49 percent of the stock in any company in the financial sector.

The minister explained that it was a question of opening up the financial sector. The process first affected industry, followed by agriculture.

More Competition

The bill contemplates the possibility of more competition between banks, commercial finance companies, savings and housing corporations, and financial corporations.

These institutions could found subsidiaries responsible for operations such as leasing, factoring, trusts, insurance, and other innovations that have recently emerged from so-called "financial engineering."

In addition, the bill introduces more flexible rules in terms of the merger, acquisition, and transfer of assets between investors in the financial market.

For example, it seems to ease the mobilization of all or part of the holdings of financial institutions requiring it. This is also achieved through a clause protecting third parties.

The reform is proposed at a time when the government believes the financial system has ended the chapter of its crisis of the past decade.

"The bill the government is submitting for consideration of the Congress is based on the purpose of achieving a more accelerated modernization of the financial sector, going along with regulations which, in accordance with its own powers, must be adopted in order to make it more efficient and competitive," the minister said.

The following are a few of the changes the bill would make in standards regulating banking:

Institutional financial middlemen may undertake new activities through subsidiaries. Banks, financial corporations, and commercial finance companies may participate in the capital of trust companies, financial leasing, stock brokers, bonded warehouses, and companies which administer pension and retirement funds.

Savings and housing corporations might participate in the capital of trust companies and pension and retirement funds exclusively.

The system of subsidiaries was chosen in order to protect banks and, in the final instance, depositors from the greatest risks involved in the exercise of new financial activities.

These subsidiaries of banks and corporations must state that their parent company does not back obligations. Nor can they receive credit from the parent firm.

It has been proposed that credit institutions be authorized to set up trust companies, seeking more competition between those who provide this service.

Banks would be empowered to engage in leasing activities through subsidiaries that might better develop the special knowledge of capital goods markets. In other words, the government believes that leasing can be done directly by credit institutions.

The possibility that commercial banks might invest in stock brokerage houses is a fundamental alternative tending toward the institutionalization of stock exchanges and the public stock market, to say nothing of helping to achieve closer integration of the capital market into the financial system. There would be more competition between banks and brokers.

Credit institutions could also invest in technical service and administrative companies enabling them to gain access to forms of business organization in technical areas such as the organization of electronic bank teller systems for the transfer of funds or securities.

According to the bill, official insurers must compete with the private sector on an equal footing and it therefore proposes an end to the official monopoly covering risks assumed by public entities and their assets.

The bill proposes that new financial operations and services will successively be provided by credit institutions, providing them with a general clause giving them competence to undertake any innovation.

Illegal Monopolizers

The proposed financial reform introduced into Congress by the government proposes the elimination of prosecution and penalties if those accused of habitually attracting money in massive amounts make amends to all parties thus harmed.

According to Finance Minister Rudolf Hommes, the measure is based on modern trends in criminal law on reparations.

Article 87 of the bill states: "the elimination of prosecution and penalties as a result of total reparations. With respect to the punishable deed described in Article 20 of Decree 2920 of 1982, it describes the elimination of prosecution and penalties for all those so charged when there has been total reparation to all parties harmed by such conduct, without prejudice to proper administrative sanctions."

However, a paragraph of this article states that anyone engaging in conduct so described within the previous five years will not be entitled to application of such exemptions.

* 'Bosses' Defeated in Regional Assemblies

91SM0040D Bogota EL TIEMPO in Spanish
4 Oct 90 p 7-a

[Text] The absolute triumph of liberalism in the 11 March elections indicated that that party would gain control of departmental assembly boards.

Nor is that all. Since all governors are Liberals, it was the government's hope that this would occur.

And yet, following the installation of these collegial bodies, last Monday showed to what extent splinter groups within the community are not only wreaking havoc on the national level, but also in the local sphere and such damage is even greater.

The formation of regional alliances when it comes time to choose assembly members is a regular occurrence every two years. This time was no exception and it would not have been of major importance if those hurt by the coalitions had not been some of the most important election barons.

Bernardo Guerra Serna, Alberto Santofimio, the Turbays in Caqueta, Gustavo Balcazar, and Horacio Serpa were finally defeated by their own fellow party members.

Those benefiting the most are social conservatives, which at least this year will head assemblies in Valle, Tolima, Choco, Guajira, and Caqueta. Alvarists will lead in Cesar.

In other regions, even though Liberals did not give up their leadership, well-known regional leaders suffered setbacks. This is true of Gustavo Dager in Sucre, Felix Salcedo in northern Santander, Jose Name in Atlantico, Miguel Pinedo in Magdalena, Julio Enrique Ortiz in Huila, and the Naders (the governor's group) in Cordoba.

Several reasons explain what happened—eternal regional struggles or weariness with the hegemony of a given boss—but the fundamental factor is bureaucratic rigging of the handling of departmental comptrollerships, where changes will take place this week.

In Cundinamarca, all signs indicate there will be no reelection of Comptroller Ernesto Manzanera following a declaration by the majority of the Liberal deputies led by Alfonso Lopez Caballero, who made that decision in support of Minister of Government Julio Cesar Sanchez.

War

One of the typical cases of regional political "maneuvering" against hegemonies is that of Antioquia. There, Liberal sectors which have mounted a campaign against Senator Bernardo Guerra for some time held firm to an alliance that worked for them in the Medellin Council to keep him out.

Alvaro Uribe Velez, William Jaramillo Gomez, Cesar Perez, a number of Federiquists, and certain Alvarist leaders imposed their candidate. It was a stiff blow to the veteran senator from Antioquia, inasmuch as not only does he lose control of corporations, but also of Interior.

Something similar happened in Valle with Gustavo Balcazar Monzon, a Liberal leader with a long history in the department. Balcazar had just been left out of the Cali Council coalition as a result of disagreements with Holmism over the choice of the mayoral candidate. The alliance of Holmists with Social Conservatives, who will head the Assembly, and other sectors of Galanism and Gavirism was sufficient to get rid of Balcazar.

In Tolima, the setback suffered by Alberto Santofimio came at the last minute. By noon on Monday, he had reached an agreement with Liberal colleague Guillermo Alfonso Jaramillo and conservatives Alvaro Pava and Maximiliano Neira, forming a majority of ten. And yet, Social Conservative Guillermo Angulo, allied with Liberal Carlos Garcia, managed to win by offering the Comptrollership to the three deputies from Pava and Neira and thus overturned the applecart, as a result of which Angula got the presidency of the Assembly.

In Santander, the major last-minute defeat was that of the group of former comptroller Rodolfo Gonzalez. Until noon on Saturday, the majority was held by deputies of former Minister Horacio Serpa: Pastranist Jorge Sedano, Galanists, and Gavirists. Before the Assembly election, Norberto Morales made a better offer, the comptrollership, to Jaime Ardila (new Liberals) and Ramiro Florez (from Serpa's group) and totally changed things.

Perhaps the most surprising outcome of all came in Caqueta. There, the Turbay family has dominated the Liberal scene thanks to the "bossing" of his movement

by the late Senator Hernando Turbay. However, his death resulted in splits. On the one side, his replacement in the Senate, Jairo Ruiz, broke with Turbayism and led the dissident alliance for the Assembly. The same path was followed by other Liberals who could not stand being manipulated by Turbay's widow, Ines Cote. They joined with Conservatives who, without major resistance, accepted the presidency of the Assembly.

* Caraballo on EPL, Constituent Assembly

91SM0049A Bogota VOZ in Spanish 4 Oct 90 p 3

[Interview with Francisco Caraballo, leader of EPL dissident faction, by Jose Maria Gonzalez at EPL camps in La Uribe in September]

[Text] This isn't the first time that Francisco Caraballo has been in a minority in Colombian Communist Party-Marxist Leninist Faction debates.

Because of his position on the peace strategy, he has repeatedly been on the point of being expelled from the EPL [Popular Liberation Army] which he helped to found in 1967, along with guerrilla leaders like Pedro Vasquez.

However, Caraballo is willing to talk again with his major opponent in the EPL, Bernardo Gutierrez, "and with anybody, so long as it is for a cause as just and noble as the conquest of democratic spaces for the nation and its people."

The EPL leader expressed these views last month, speaking at the camps in La Uribe, on the occasion of the tribute to the FARC [Revolutionary Armed Forces of Colombia] ideologist, Jacobo Arenas.

From the Constitutuent Assembly to Peace

[Gonzalez] Why didn't the Guerrilla Coordinating Group stop its efforts to take part in the Constituent Assembly when the "Parties Agreement" decided to exclude them from this process?

[Caraballo] Many people were wondering whether or not to participate. Nevertheless, we had a more important consideration. Whether we take part or not, the most important aspect of the Constituent Assembly is that a large-scale popular movement must be created to fight for democracy and peace. That movement isn't in the gestation stage now, but rather in full development, and I hope not just for the purposes of the Constituent Assembly. No matter what the results of the Constituent Assembly may be, this movement must remain alive in the national political struggle.

[Gonzalez] Despite your exclusion, have you still planned to take part in the Constituent Assembly?

[Caraballo] During the Fifth Guerrilla Summit we proposed that the Constituent Assembly be transformed into a peace event. What should we do when attendance at the assembly was restricted? Continue to criticize that fact. Not accept it as a "fait accompli" because, unlike what some people believe, we are convinced that legitimacy lies with the people. If, together with the people, we expose and reject the government's excluding position, we are performing an important task as fighters for peace and democracy, which we are.

[Gonzalez] How much impact did the option of having the guerrilla movement begin a military type offensive to press for a rapprochement with the government have?

[Caraballo] While initially the Guerrilla Coordinating Group was to be barred from taking any part in the Constituent Assembly, this didn't mean that war was the only alternative left. We are making every effort to avoid a resurgence of armed confrontation as the outcome. We are emphasizing opening doors for participation by the government, political groups, and social and popular sectors.

[Gonzalez] What is the opinion of the PCC-ML [Colombian Communist Party-Marxist Leninist Faction], which you head, on peace?

[Caraballo] Our party has a clear and thoughtful concept of peace. We oppose deceiving the people with a demogogic peace composed of lies. Peace may be achieved if it is founded on some changes and transformations in the nation's life. The process being pursued by the M-19 is not peace. We have differences of the same nature with the process begun in Pueblo Nuevo [New People]. So long as the conditions that oppress the working masses remain, protest will arise once again, including armed protest, which is so deeply rooted among us.

The Ideological-Military Offensive

[Gonzalez] Did the army's military offensive, using its Mobile Brigade, induce a large part of the Popular Liberation Army to sit down to talk with the government?

[Caraballo] I think so. But that is an offensive which is not only military but ideological and political as well, aimed at our political principles and initiatives. It is ideological disarmament spurred on by imperialism and the bourgeoisie against the ranks of the revolutionary and democratic movement. When the military offensive finds committed revolutionaries, the response is different. That has happened to the Mobile Brigade in Uraba and the Middle Magdalena area, to mention just two regions.

[Gonzalez] What were you doing as commander in chief of EPL, while the government was working out peace agreements with Bernardo Gutierrez, the EPL's second in command?

[Caraballo] In any revolutionary organization there are times when political confrontation goes beyond the terrain of discussion to practical effects. Gutierrez was the EPL's second in command; he had influence in some sectors of the organization. He had his own followers. The lure he used was effective in the beginning: he said

it was necessary to undertake extensive political work, to seek an opening and confront the regime. What many people were not told is that the intention was to demobilize and turn over arms.

Uneasiness in the EPL

[Gonzalez] Did that position generate uneasiness in the ranks of the EPL?

[Caraballo] Not just in the troops under my leadership. In general, there is an attitude of concern, and a rejection of a possible meaningless demobilization.

[Gonzalez] Are you still in contact with the Pueblo Nuevo guerrillas?

[Caraballo] Yes. I am in contact with all the fronts.

[Gonzalez] As general commandant, or as a member of the joint command which was formed in Pueblo Nuevo?

[Caraballo] We are proposing the establishment of a general command structure headed by Caraballo. Not a connection to a command which was appointed for the purposes of demobilization.

[Gonzalez] Is it true that you have joined the command of the FARC?

[Caraballo] No, not at all. The major communications media with their disinformation deceive the masses. It is false that Caraballo is joining with the FARC to oppose the nation's peace process. What is true is that there is a process of rapprochement among the guerrilla organizations, trying to achieve unification of the armed movement in Colombia. The purpose of my stay in La Uribe is to help this process of greater rapprochement, to seek agreements and political and military elucidation and understanding. We want to create a new type of unity among the nation's guerrilla forces.

* Military Views of Counterinsurgency Situation

* Former M-19 Members Active

91SM0041A Bogota EL ESPECTADOR in Spanish 2 Oct 90 p 5-a

[Text] Cali—At least 15 members of the defunct 19 April guerrilla movement have not returned to civilian life, but instead have joined with other subversive movements and drug trafficking rings in engaging in their own acts of common, organized crime such as kidnappings, attacks, and ambushes, Brigadier General Miguel Jose Bonet Locarno, commanding officer of the 3d Army Brigade reports.

According to that high official, the former guerrillas have formed an alliance with members of the ELN [Army of National Liberation] and a band of hired killers serving the Northern Valley Cartel, which is headed by the Urdinola brothers.

Bonet Locarno said the former guerrillas could not adjust to their new civilian life within the law after the signing of the Santo Domingo treatise allowing M-19 to return to democratic life.

The criminals in question committed many illegal, criminal actions in the Cauca Valley at the beginning of this year, attacking landholdings and engaging in kidnappings. They then proceeded to the northern region of the department, joined with a guerrilla column of the ELN in March, and carried out an ambush of the Palace Battalion patrol in which seven soldiers died.

During that military operation, members of the battalion killed nine terrorists, some of them belonging to this initial group of former members of the M-19.

Bonet Locarno told EL ESPECTADOR that the now small group, which has been operating in the municipalities of Cali, Palmira, Florida, and Candelaria, has been engaging in kidnappings, holdups, and all kinds of attacks on the civilian population. They have already provided their illegal services guarding cocaine laboratories belonging to the Northern Valley Cartel.

That organization of drug traffickers is headed by the Urdinola brothers and, through intimidation of the people, rules the area of the municipalities of Cartago, Sevilla, and Roldanillo in the northern Valley and Cerrito in southern Risaralda.

"They have turned into a band of common criminals," Bonet Locarno said.

* Strategy Revised

91SM0041B Bogota EL TIEMPO in Spanish 5 Oct 90 p 10-c

[Text] Military intelligence services expressed concern yesterday over the unusual leadership acquired by the leader of the Army of National Liberation (ELN), Manuel Perez, at the first summit conference of commanders of the Simon Bolivar Guerrilla Coordinating Committee (CGSB), which met up until a week ago in the Uribe mountains (Meta), location of the central FARC [Revolutionary Armed Forces of Colombia] camp.

There is also uncertainty in the military because it is thought that the former Spanish priest has sufficient capacity and training to rapidly channel the military actions of groups belonging to the CGSB (FARC, ELN, and a dissident faction of the Popular Liberation Army (EPL).

According to the pact creating a single guerrilla army, Perez is reportedly part of a joint command also including Timoleon Jimenez, military chief of the FARC, and Francisco Caraballo, former commander general of the EPL and now head of a tiny insurgent cell that has refused to agree to negotiate with the government.

Army intelligence sources stated that in the face of the united action agreed upon by the rebels, the Armed

Forces would be forced to modify their strategies aimed at controlling the rebel movement.

In practice, the Army and Police would have to redesign the policy of concentrating their forces in critical areas. "What is complicated is that at the present time, without being united, the FARC and ELN can engage in scattered actions that occasionally extend certain areas in which troops are operating.

"If they unite, they would be capable of carrying out joint raids and could create several centers of conflict. What we must do is prepare for such an eventuality," one official told EL TIEMPO.

New analyses of real guerrilla capabilities indicate that the three organizations comprise over 7,700 heavily armed men organized in 48 FARC fronts, 22 ELN columns, and three small EPL cells.

The military might is joined by an enormous economic apparatus with daily injections from the ever more profitable kidnapping and extortion industry. In September alone, the FARC and ELN kidnapped 19 persons.

The CGSB war machine is made up of men who, in 90 percent of all cases, have powerful rifles, abundant ammunition, and field equipment.

In addition, the rebels know the terrain perfectly and are able to call on their self-defense groups (civilian population trained to divert, harass, and delay operations) when the Army engages in massive attacks.

In the opinion of military men well-acquainted with the development of Father Perez within the ELN, the latter has characteristics guaranteeing him success as head of the Coordinating Committee.

In addition to his solid European academic background and his personal charisma, Perez benefits from the death of Jacobo Arenas, undeniable military leadership, and the ability to unite his men without power struggles.

The former Spanish priest, military sources stress, can also take advantage of the scattering of forces within the FARC. "They made a mistake in opening up many guerrilla fronts. They created six in less than two years, and there came a time when Casa Verde had to admit there were groups over which it had no control."

The Army had an initial alert on 1 October when Perez and the FARC commanders sent a message to the Preconstituent National Junta making its military capabilities perfectly clear:

"The Coordinating Committee is strengthened by a centralized leadership mechanism and its integrated forces have demonstrated the ability to engage in sustained, concentrated military actions exercising control over territory on many occasions."

* ELN Leader Vows To Continue Violence

91SM0040B Bogota VOZ in Spanish 27 Sep 90 p 3

[Interview with ELN [Army of National Liberation] leader Manuel Perez by correspondent Matias Jaramillo; place and date not given]

[Text] It was while he was completing his seminary training in Spain that news of the death of Camilo Torres Restrepo, "the guerrilla priest" was announced. Manuel Perez did not hesitate to declare that his place as a priest was in a South American country named Colombia.

Since that time and without giving up the priesthood, Perez has taken up arms alongside the Camilist Union National Liberation Army, ranked among the most radical guerrilla forces in our country's revolutionary history.

Trained in liberation theology, the guerrilla leader, who is at one and the same time sad-faced and optimistic, has participated in the transforming process of the hotbed theory that emerged from the Cuban revolution and finally proclaimed himself to be a military revolutionary with Marxist-Leninist ideas, on an equal footing with his troops.

Cripton Case and Sabotage

[Jaramillo] Is it true that the ELN-drug trafficking connection permitted the kidnapping of Diana Turbay Quintero?

[Perez] We have never had Mrs. Turbay Quintero. Trying to link us with terrorism and drug trafficking is solely for the purpose of pulling the political ground from under us.

[Jaramillo] But does the bombing of pipelines by the ELN not give rise to such accusations, even though it has repeatedly declared unilateral "truces" in such actions?

[Perez] For us, the bombing of pipelines is no more than a means. For example, five years ago, who was discussing the country's oil situation? No one. The government does not allow it and there is no democracy. The point is not that the issue became fashionable with sabotage, but that people are at least demanding debate on this problem. After six months, we resumed our attacks on the pipelines because the government raised the price of gasoline when the country had never before sold oil on the international market at such a high price. Perhaps when a barrel of crude cost $16 or $17, but how can you explain such an increase when a barrel of oil has gone up to $27, $28, $30, or $31? You can't even use the argument of the bombings because we were in a truce.

[Jaramillo] And yet, the country is not only witnessing acts of sabotage against oil, but also against pine plantations belonging to the transnational Smurfit Carton of Colombia.

[Perez] Yes, we have carried out actions against Colombia Carton and also against the coal sector

because of similar problems. We have an overall view of what the nationalization of the country's natural resources should involve.

[Jaramillo] At the cost of ecological ruin?

[Perez] We are reviewing the method of engaging in sabotage without producing ecological damage. We are willing to accept criticism for damage we have caused, provided we are allowed to debate the meaning of the development of oil and gold, pollution of cities and rivers, of everything the ecological problem means. The fact is, to speak solely of damage caused by intensive oil development, the ecological problems of pollution stemming from operations at Cano-Limon are far more serious than all our acts of sabotage combined, without even mentioning partnership contracts.

Gaviria and Peace

[Jaramillo] And what about peace?

[Perez] The government does not want to negotiate with anyone unless it is from its own position of strength and the opponent's weakness. They excluded us from the Constituent Assembly by making our participation conditional upon the surrender of our weapons, which is the same thing as ceasing to be an armed movement. The government says that if the armed movement does not participate in the Constituent Assembly, it must be attacked on all fronts.

[Jaramillo] How would you describe the peace agreements signed by the government with the M-19 and initiated with a considerable sector of the EPL [Popular Liberation Army]?

[Perez] The M-19 surrendered its arms because it had lost its historical perspective due to the crisis that organization endured at the time as a revolutionary movement. In the case of Bernardo Gutierrez, we believe discussion must continue. Why did the EPL take up arms if it was going to give up transforming the country?

[Jaramillo] Is the ELN willing to begin negotiations with President Cesar Gaviria's government?

[Perez] By ourselves, we are not going to promote any private negotiations. We are willing to propose negotiated political solutions, but as the Simon Bolivar Guerrilla Coordinating Committee. We are demanding a political space in which to initiate a dialogue. In contrast, Gaviria's peace policy holds that the guerrilla movement must be attacked and destroyed in order to force it to surrender its weapons. Gaviria is profoundly mistaken about this. He is facing a guerrilla movement that is neither exhausted nor anywhere near finished. It is a fully developing guerrilla movement.

[Jaramillo] What would lead you to give up your weapons?

[Perez] Surrendering our arms is not even a consideration! Those words are not in our vocabulary. We demand a new government, a new constitution. We propose transforming a series of realities. We are willing to dialogue about political solutions.

[Jaramillo] If the agreement signed by the Liberal Party, the two factions of Social Conservatives, and the M-19 ruled out any possibility of participation in the Constitutional National Assembly for the armed rebels, what path is left for the guerrillas?

[Perez] I have been named by my organization, along with Nicolas Rodriguez, to participate as a member of the Constituent Assembly. We are going to fight for our right to participate in the Constituent Assembly as an armed movement, institutionally or extra-institutionally. We are going to go to the masses, participate in their mobilizations, work on new elements which the constitution our country requires would have. The constitution Gaviria is proposing is like not having a Magna Carta that serves the people. It is part of the bourgeois purpose.

[Jaramillo] What bourgeois purpose?

[Perez] The neoliberal purpose of the new right that strengthens the counterinsurgency, not only in the military, but economically and socially as well, favoring the International Monetary Fund and American imperialism. Gaviria has embarked upon the path of economic opening and industrial conversion that Barco opened even though the country is not prepared for such measures. That is the direction of the privatization of enterprises and reforms promoted by the government, including labor reform.

Richness of Unity

[Jaramillo] In its recent history, the Guerrilla Coordinating Committee has suffered losses. And yet, you remain in it.

[Perez] Of course! Guerrilla unity is not a lineal process. It has allowed all revolutionaries in this country to realize that without unity, there is no prospect for the triumph of the revolution. We have incorporated unity as an element of our strategy. The difficulties facing us do not reduce or destroy the possibilities of the Simon Bolivar. On the contrary, it results in an in-depth discussion of important strategic and tactical elements that are paving the way to construction of the unity of the revolutionary movement and the conquest of the egalitarian and just society we propose to achieve, the socialist utopia.

* Military Officers Charged in Peasants' Deaths

91SM0040A Bogota EL ESPECTADOR in Spanish 2 Oct 90 p 11-a

[Text] The Office of the Attorney General has filed a list of charges against the commanding officer of the Garcia Rovira 13th Infantry Battalion headquartered in Pamplona and the commanding officer of the 4th Squad of Company A of that same unit in connection with the

murder of 11 peasants on 7 June on Ilarguta Road in the municipality of Macaravita in Santander.

According to the Attorney General's Office, Lieutenant Colonel Jose Nicolas Quiroga Maldonado and 1st Sergeant Jose Dorian Mesa Piedrahita coordinated a military operation at spots known as El Ramal and La Vega near the town of Macaravita and "presumably committed acts resulting in multiple killings outside the line of duty."

Likewise, the Office of Special Investigations requested that the representative for Judicial Surveillance conduct a disciplinary investigation of 25th Military Criminal Court Judge Ana Lucia Ramirez de Rivera for irregularities conducted in her trial of that same case.

Military sources initially claimed it was merely a clash with ELN [Army of National Liberation] guerrillas in which the Army suffered no casualties.

However, the preliminary investigation conducted by the Office of Special Investigations within the Office of the Attorney General established that "it was peasants from the region who were killed rather than members of guerrilla bands, as they would have people believe."

The peasants who died in the military action were: Jose Ariosto Silva Torres, Jose Alfredo Burgos Torres, Jairo Burgos Puentes, Obdulio Burgos Rodriguez, Felix Julio Burgos, Jaime Ariel and Helber Burgos Orjuela, Roque Julio and Jaime Burgos Esteban, Jose Audin Oviedo Esteban, and Venancio Alfonso Duarte.

The aforementioned investigative body presented a report to the Human Rights representative enumerating irregularities found in the analysis of the tragic events.

According to that report, the persons killed lived on Ilarguta Road, where they owned and farmed parcels of land.

"On the day the events took place, they had all come from their own farms and were heading for Jaime Burgos' parcel in order to help each other with field work." The latter had built a shed as protection from the rain and to keep his farm implements. "In the shed ruins, cooking utensiles and tools were allegedly found," the report continues.

Officials from the Attorney General's Office state in their evaluation that the individuals in question were not killed where their bodies were later found but rather, somewhere else because there were no blood spots where the bodies were picked up, as would have been normal in events of such magnitude, particularly when the cadavers exhibited multiple wounds.

The report goes on to state that it had been ascertained that "the victims had been stripped of their work clothes, which were replaced by uniforms exclusively worn by the Armed Forces because part of them were burned and had bullet holes."

The Office of Attorney General found that, based on descriptions of the wounds, they did not correspond to clothing the victims were wearing, which was in very good condition and had no holes."

Accounts by some witnesses indicate that the hut where the peasants were found was burned, as were the bodies of Ariosto Silva and Jaime Burgos, "for the sole purpose of concealing evidence such as burns inflicted on the former while he was still alive."

The Office of the Attorney General notes that despite the fact that the events occurred in broad daylight, "Army personnel did not take proper steps to establish whether the group of persons in the hut or nearby, were in fact guerrillas but rather, proceeded to fire indiscriminately upon them and later, upon realizing they were peasants, altered the truth by using military uniforms and weapons to justify the grave mistake they had made."

Likewise, soldiers involved in the investigation failed to inform Macaravita civil authorities to pick up the bodies. Nor were relatives allowed to go to the spot where the events took place.

Lieutenant Colonel Quiroga Maldonado will have to answer to the Office of the Attorney General for his participation in the killing inasmuch as he ordered the operation and failed to take the necessary measures or give instructions to prevent the irregular outcome.

For his part, 1st Sergeant Mesa Piedrahita will have to explain why he exceeded his duties, misused his authority, and was guilty of negligence while in command, in addition to violations of the military code by virtue of his failure to perform his duty properly and in a timely manner.

* Industry Report: Investment Incentives Needed

91SM0029B Bogota EL TIEMPO in Spanish 26 Sep 90 p 9-a

[Article by EL TIEMPO editor Hermogenes Ardila; from Cartagena]

[Text] Government's efforts to promote private investment, particularly from abroad, will not be enough to achieve greater security and a peaceful climate in the country.

Not even increased flexibility in the system of investment as outlined in proposed modifications of the Exchange Statute will solve the need to incorporate greater foreign resources into regional development.

This is the thrust of a document issued by the Colombian Metallurgical Federation (FEDEMETAL), entitled "Observations on Orientations of the Macroeconomic Industrial Policy at the Beginning of the 1990-1994 Period."

Concerning the proposal introducing modifications into the Exchange Statute, FEDEMETAL claims that experience shows it is not enough to make existing legislation more flexible and eliminate the already limited controls in order to attract more foreign investment.

"Basically, what is required," he adds, "is to create a climate of peace and economic incentives providing our new partners with security and reasonable expectations of profits."

Investment in our country offers coefficients lower than the Latin American average for the 1980's, particularly starting in 1985, and is exceeded by Brazil, Costa Rica, Peru, and Venezuela.

The reason: The stability of national macroeconomic policies, which has allowed greater growth than that experienced in other countries, is nevertheless clearly inadequate quantitatively and structurally.

According to the analysis, the hope that more capital will come into the country due to greater flexibility of the statute, whether from Colombians or foreigners, is uncertain.

Furthermore, FEDEMETAL states that Colombian bank accounts abroad will not be transferred to the country because a special freer market has been created for the respective dollars—and probably at a better price—but because other incentives might emerge. However, so far this has not occurred.

The creation of two foreign exchange markets may also entail risks for the country: one of them caused by the dismantling of direct control of imports through transfers from prior lists to free lists.

Good First Half of Year

Although the economy has not achieved growth indexes similar to those of 1986 and 1987, the first half of this year showed substantial improvement over 1989 for industry, according to a survey conducted of its affiliates by FEDEMETAL.

The National Administrative Department of Statistics (DANE) had already indicated that between January and June of this year, industry grew 9.35 percent compared with the same period of 1989 (-4.7 percent).

In the specific case of the metal-machine and metallurgical sector, the best recovery occurred in the manufacture of nonelectric machinery, basic nonferrous metal industries, and tool manufacturers.

However, there has been a slump in the production of transport equipment and materiel.

According to the survey, production of enterprises surveyed in the poll experienced nominal growth of 21.9 percent.

Some 54.7 percent of the boards of companies surveyed said the business climate is rather favorable in short-range terms, with 30.9 percent saying the situation will remain the same and only 14.3 percent of the opinion that production will decline.

Limitations and problems nevertheless affect the sector: low demand, high financial costs, working capital, portfolio, smuggling, and so on. The poll shows that businessmen are also concerned over the economic opening and tariff policy.

Responses are encouraging regarding the use of installed capacity: The metallurgical and metal-machine sector employed 70.25 percent of its available capacity during the first quarter and 70.63 percent during the second.

* Coca Trade, Violence Effects on Putumayo

91SM0029C Bogota EL ESPECTADOR in Spanish 30 Sep 90 pp 1-a, 11-a

[Article by special correspondent Ignacio Gomez G. from Putumayo Intendancy]

[Text] The San Miguel, Guamues, Hormiga, Cuembi, and Putumayo Rivers have brought yet another wave of riches and violence. In the precise spot where the main cocaine center of the country is dying, the cinchona, sarsaparilla, and rubber bonanza died also.

The region is but a gateway to the vast Amazon jungle, whose ecosystems will not withstand yet another period of uncontrolled colonization, and a point on the globe whose enormous wealth exists only in five other countries.

Coca planting, uncontrolled settling, and chemical waste dumped in the forest have killed at least two rivers and formed deserts stretching for hundreds of hectares in the midst of the brush.

They have also cut short thousands of lives and abruptly interrupted thousands of love and adventure stories, whose protagonists—or survivors—are awaiting a final reply to their dilemma in order to stop the depredation: ecological development or absolute conservation.

The first lectures on terrorism by mercenary Peter McAlesse were given on the road to La Azulita, a ranch located in the municipal inspectorate of San Miguel in the Guamues Valley municipality in what is still the intendancy of Putumayo and near the confluence of the San Miguel and Putumayo Rivers, where 13 military hostages are being held: six Colombians, three Ecuadorans, and four Peruvians.

And yet, the jungle of which the British soldier speaks in his chronicles is now little more than a desert. The area where, it is said, over 38,000 kilos of cocaine a month were once sent, has had a proportionate amount of the herbicide Gramaxone (commercial name for glyphyosate) and tens of millions of tons of hydrochloric and sulfuric acid, potassium permanganate, gasoline,

cement, salt, caustic soda, alcohol, filtering paper, and MEK (methyl-ethyl-ketone) dumped on its soil.

"Coca is a curse," says the "crazy" old Indian of Puerto Asis. "Even before it sprouts, people die in droves in the nursery beds and then, if they survive the harvesting and refining, they can still die in trafficking or fall victim to disease because of the poisons used in the processing."

The curse seems to be a thing of the past. After ten years of drug traffickers, soldiers, guerrillas, paramilitary forces, and death, oil and agriculture lead in terms of the number of jobs created. The bars are still filled with men coming in from the hills who buy Brazilian rum or whiskey for everyone, but now they are lumbermen, cedar traffickers from the Amazon region, mixed in with a few gold prospectors. Stores are once again serving the former settlers who come in from the forest with "clean" money.

"The worst is over," explains one buyer and seller of everything, products from the vortex of rubber, tiger hunts, coca, and oil. "Business has dropped 40 percent in the last year, but people are already beginning to sell corn, panela, livestock. There are still a few, very few, who refuse to make a living from coca. We can finally say that Puerto Asis will not die without drug trafficking."

Boomland

Putumayo has always been a difficult place: a cornerstone of the settlement of the unsuitably named "national territories,": for four centuries the stepping off point where the death throes of the Amazon jungle begin, the center of operations of all booms, legal and illegal (except for coffee), and eternal war, from the conflict with Peru to the fight over drug trafficking and inevitably including guerrilla warfare.

Starting in the 1960's, INCORA [Colombian Institute of Agrarian Reform] has granted land only to those settlers who demonstrated they had "cleared" (slashed and burned the jungle) over 40 percent of the area they were claiming. Officially, it is said that 84.5 percent of the Intendancy's territory is made up of jungle, while 8.8 percent is owned by ranchers and farmers.

However, a large part of the government-owned jungle, particularly on the spurs of the Andean Cordillera—the only place where the yield of the coca grown is similar to that of Peru and Bolivia—has been destroyed by old plantations treated with chemicals used in agriculture and residue from the cocaine "industry" and oil.

"It can be said," according to a spokesman for the Autonomous Intendancy Corporation (CAP), "that coca is indirectly one of the crops that has contributed the most to the social development of Putumayo, because that money is now being used on infrastructure such as roads and dairy farms which, along with profits from oil, have created poles of development."

However, according to studies by the Native People's Aid Committee Foundation (CECOIN) and religious communities working in the sector, such an interpretation is erroneous. Oil and cocaine have made life in the jungle more comfortable, but above all, the highways and enticing wages paid by these two industries have brought on new migratory waves that lay waste to an ecosystem that is both rich and incredibly fragile. "Desertification," they say, "starts at the foot of the mountains and is spreading like wildfire toward the heart of the Amazon region".

Political corruption is also on the prowl. Mayors wield subsidies from the Colombian Electric Power Institute (ICEL) to pay for the fuel used in gasoline-powered plants that light homes, the hospital, and a handful of parks, then rake in some $800 million a year in royalties on oil taken out, a practice started in 1967. These funds have not yet been invested in community projects.

For the past few months, Alberto Rosa de la Cusis has been sought throughout the country because, using his office, he absconded with ICEL subsidies, leaving Puerto Legizamo with no mayor and no electricity! In Orito, capital of the southern district of ECOPETROL [Colombian Petroleum Enterprise], government budget problems result from the failure to pay for the very tiles and bricks the mayor used to with office!

Intendancy politicians thus hope that under the next legislature, Congress will turn its dream into a reality: becoming a department.

Azulita, a Red River

"Six killed six," says the peasant narrating the burial of the paramilitary commander of La Azulita on 6 August, killed in an action guerrillas named "This is Putumayo!" "They came as far as Puerto Asis and bombed the Chilimaco Hotel where La Azulita diehards had fled from the attack and the house where the 'combos' were. That night, no one dared to speak above a whisper in his own house."

"Six" (no one knows exactly which of his names is the real one) had become leader of La Azulita's paramilitary forces after escaping, in mid 1987, with over 200 million pesos comprising the 'fund' of the FARC [Revolutionary Armed Forces of Colombia] 14th Front, between the Caguan and Guayabero Rivers, another remote cocaine center.

No one knows how many died defending the La Azulita laboratory or even in Puerto Asis. That same night, after the guerrilla forces had left, the sound of a helicopter was heard, and when at daybreak the curious finally ventured out to see what had happened, they saw only the ruins of homes and buildings. The bodies of six high-ranking members of the paramilitary group had left by small plane the previous day.

The "operation" turned out to be an act of revenge for the bloodiest paramilitary attack on guerrilla forces at

the end of 1988. [Section missing] reports from the DAS [Administrative Department of Security] and the versions of a number of peasants, teams made up of the first "students" of Yair Klein and his team of "self-defense" trainers finished off over 80 EPL [Popular Liberation Army] guerrillas guarding the La Azulita cocaine laboratories.

"Throughout that war and this one," says one bargeman, "the San Miguel River ran red. We found as many bodies in green uniforms as we did tree trunks. I stopped counting at 37."

During the August offensive last year, Ecuadorans bombed the airstrip. For a month or more, no more DC3's or small planes showed up. Shortly thereafter, bulldozers appeared and the airport was rebuilt, but on the Colombian side, the cocaine paste returned and the jungle, already in its death throes, got another dose of chemical waste.

Rumor has it that the old diehards were from Cali and later, [it was] "The Mexican." Military sources now say the FARC are buying coca leaves and that they seized much of the drug previously kept in the La Azulita coves.

Last week, settlers in the region claimed that over 500 *pintados* [paints] (the name given to Army counterguerrilla forces because they paint their faces green and black) were moving toward the region. Another episode in the Putumayo war is being brewed.

End of the Land of the Kofan

"Once we lived very peacefully on this reservation. We fished and hunted. We had our own medicine, *yoco*, and *yege*. Then the Company and settlers came, followed by INCORA, which measured our land and penned us up. Since we Kofan are few in number, they took away our land and now we have maybe four, five, or ten hectares. We have sent in protests but it does no good."

Speaking for the CECOIN Foundation was the governor of the Kofan town council of Yarinal, one of the leaders of the native community which, that same source said, lost 40 percent of its people between 1979 and 1989 and was dispossessed of over 90 percent of its territory by settlers.

A similar situation is endured by the Inga, descendants of the Incan Empire, as well as the Inga or Paez (evicted from their land in Cauca). Even worse circumstances are suffered by the Embera-Chami, a group arriving in the area in the 1960's, driven from the Choco by mining and settlers.

Dying along with them is their wisdom about the treatment of the land they cultivated for centuries. For the Kofan, the tragedy began with oil development. Thousands of settlers have invaded their land since 1963, when oil began to be extracted from the area known as Texas in the Guamues Valley.

When oil companies built the highway, thousands of adventurers swarmed in, anxious to earn dollars in the jungle, but when they found no jobs, they occupied land on reserves they considered "barren" if it was not devastated by "civilization."

Coca has not only changed the cultural customs of many. Eduardo Iles, spokesman for the Native People's Zonal Organization of Putumayo, recent died at the hands of paramilitary troops which still maintain de facto control over his community, now reduced to its minimum expression due to the work of drug growers, traffickers, and antinarcotics and antiguerrilla operations.

Coca Curse

"In Cuembi, there are no longer any fish, not even for medicine. The coca leaf does not come from God and wherever it is found, it destroys everything," said one nun interviewed by EL ESPECTADOR.

"They pick all the leaves and then put salt, lime, or cement on them. Sometimes they stomp it with their feet and sometimes they pound it with sticks. After six days, they dump it into a gasoline can and then a few days later pour off the liquid and throw the used leaves on the river bank. The remainder is mixed with alcohol and acid and filtered through extremely fine paper and what is left is cocaine. The waste is always left there, which is what killed the fish in the river," the nun explains.

One doctor said the most serious problem treated, despite the high volume, is not the laboratory accidents that cost many peasants their hands, legs, or faces. What is most disturbing is the allergies that seem to be suffered by all who work for any length of time processing coca leaves.

Potassium permanganate, cement, and gasoline do grave damage to the skin, to say nothing of respiratory problems suffered by those working in closed areas with large quantities of ether and acids.

More because of the very characteristics of the coca plant than the curse attributed to it, the fragile Amazon land is exhausted by a maximum of three crops grown on it and starting with the very first planting, chemical fertilizers have to be used, while fumigation kills insects. Gramaxone, the name under which one company still markets glyphosate, is generally used, even though it has been banned in the country for over three years for health reasons.

And yet the wealth does not stay behind, at least not in the proportions of the coca boom. Workers pay up to 100,000 pesos a night for a companion to share a few drinks and their misery in town bars. In the midst of the jungle, they drag similar sums out of their pockets to pay for alcohol or luxuries they never sell off more cheaply just to get out of the jungle.

The desolation of the past few months has been repeated over and over for centuries. Before, it was quinine and sarsaparilla, then rubber at the beginning of this century, followed by tiger hunting, oil, and finally coca. With the end of each successive boom came a new wave of adventurers.

"People are already coming in with a few nuggets of gold from Marmato and Las Minas," one priest reported. A new wave of violence may soon be on the way.

Ecuador

* Bucaram's Return From Exile Viewed

* Arrival, Speech Noted

91SM0046A Guayaquil EL UNIVERSO in Spanish 8 Oct 90 p 10

[Excerpts] "I am here to lead the opposition to this government. Many things have happened in the past, five years of sacrifice, and I wonder who is going to make it up to this man for the years he spent in exile," Abdala Bucaram Ortiz, head of the Ecuadoran Roldosist Party (PRE), said yesterday at a meeting held in the 29th and Oriente district following his arrival in this city.

Bucaram Ortiz, who went into exile in Panama of his own free will, returned to Guayaquil early yesterday morning on board an Aerocommander and was greeted by relatives at the small aircraft terminal of the local airport. He later proceeded to a private home and just after 1600 hours attended a political meeting organized by the PRE and attended by thousands of persons.

The former mayor of Guayaquil arrived at the meeting in a helicopter that landed at an improvised helioport and was then taken by his colleagues to a specially built speaker's platform near Guayaquil Hospital, where he harshly criticized the government for 14 minutes. [passage omitted]

Reiteration of Candidacy

Two helicopters were spotted circling overhead just after 1600 hours and shortly before 1630 hours, one of them landed at the helioport to let out Abdala Bucaram Ortiz, who was greeted by the applause and shouts of fellow party members.

It was reported that the passengers in the other helicopter were Carlos Hidalgo Villacis, provincial prefect, and Bucaram Ortiz' security personnel.

After the political meeting had begun, provincial deputy Fernando Larrea Martinez spoke to reiterate the Bucaram's presidential candidacy in 1992. Speaking after him for a minute was national deputy director of the PRE Oscar Celleri, who welcomed Bucaram, and last, legislator Marco Proano Maya, who also addressed the crowd for a minute. [passage omitted]

Motorcade

The meeting was followed by a long motorcade of vehicles led by Abdala Bucaram, his brothers, and top leaders of the Roldosist Party, who proceeded slowly to the downtown area of the city. [passage omitted]

The motorcade ended at Calle Clemente Ballen, between Garcia Aviles and Boyaca, where Bucaram resides with his family.

Ab. Abdala Bucaram Ortiz' yesterday gave a speech upon his return to Guayaquil.

"Now we can talk with our pockets turned inside out because the people are honest and clean. Is there food? Is there bread? Is there cassava? Is there rice? There isn't, right? So what is there? Nothing, nothing at all.

"This is the work of Rodrigo Borja, who, on 1 October 1988, said that as long as he was president, Abdala would not return to Ecuador, but he was also wrong because I am in Ecuador. Abdala is here with you.

"Many things have happened in the past, five years of sacrifice, and I am asking you Ecuadorans who is going to make it up to that man for his five years in exile? It is not Nebot who has returned, not Borja, not Febres-Cordero, not Hurtado Larrea. The man who has returned here has two weapons: one the word of Christ and the other the hope of the people.

"Abdala has returned to Guayaquil and returned directly to 29th and Oriente, to the very heart of these neighborhoods, not like the others who return to private clubs.

"Today is a holiday in Guayaquil and where is Dr. Borja? He offered the 'City of the Chile' and where is it? He offered the airport and where is it? Do you have the double buses? No, you don't. What we have is the people's hunger. Pablo Pueblo [John Q. Citizen], you have to get up in the morning to go look for bread for you; children, you have to go wait for a bus at 6:00 in the morning to get to work by 8, and your boss looks down upon you. Dr. Borja talks of peace, but what does that fine gentleman do?

"During my previous campaign, I proposed the creation of an Indian Ministry and they laughed at me, but now Ecuadoran Indians have risen up and are demanding their rights.

"Now is the time for change and the second great revolution in Ecuador, a revolution benefiting the poorest classes of Ecuador. In this crowd, we are marking the beginning of the campaign for the presidency.

"Borja is planning a coup to prevent Abdala from taking the National Capitol, but I don't think he can succeed because I have your backing, the backing of you, the real people.

"Abdala brings the hope of the people. Abdala is the people's whip that will be used to punish the national government, a government that makes its fellow countrymen go hungry.

"Dr. Borja did indeed keep his word that now it is up to the people, but up to the people to starve to death! That is why Abdala has arrived to lead the opposition to this tyrannical, starvation government." [passage omitted]

As soon as Bucaram's helicopter touched down, he alighted dressed in a dark blue suit, white shirt, and blue-and-white striped tie, and was received by his fellow party members.

The latter carried him on their shoulders to the main platform, the trip taking seven minutes. [passage omitted]

In the background, one could hear the song by Jose Luis Perales used in his campaigns, and when he reached the words "...and I shall return," Bucaram shouted, "Stop the music! Don't you see I have returned? I am here!"

Bucaram then tried to speak, but his voice was drowned out by the happy shouts of the crowd, and he warned that "Either you let the lunatic speak or you can speak yourselves. Which do you prefer?" And the crowd responded, "The lunatic, the lunatic!"

However, Bucaram then clarified that he was "crazy in his heart, but perfectly rational in his head." [passage omitted]

At the site of the meeting and at strategic points along the path of the motorcade, fully-equipped riot police were conspicuously present. [passage omitted]

The mayoress of Guayaquil, Ab. Elsa Bucaram Ortiz, arrived at the meeting at 1515 hours and, wearing her cervical collar, was greeted by the applause of those attending. [passage omitted]

Among those on the platform were several deputies: Dr. Marco Proano Maya, Jorge Bustamante, Luis Villacreses Colmont, and Oswaldo Lucero. [passage omitted]

Coup Attempt To Prevent Victory in '92

"I have come to lead a strong opposition force to the Ecuadoran Government and lead it because I am a 'natural' politician, not one 'artificially inseminated' [sic] in order to deceive the Ecuadoran people," Ab. Abdala Bucaram Ortiz said in his first statements made to EL UNIVERSO after he returned to the country.

"I have returned with the faith taught to us by the Bible and the Catholic religion, that religion they are trying to set against me through the national clergy whom I respect and love very much, when it is the very workers and priests who are trying to impose the Armed Forces on us, the Armed Forces which I led and love very much. In my opinion, it is the national government which, in its desperation, is trying, because of my very return, to prevent the overwhelming triumph of Ab. Abdala Bucaram in 1992," he said.

He then thanked the Ecuadoran people, observing that "this historic hour has heard a shout of glory of Hispano-American unity, a heartrending shout of national hunger seeking a new future, new hope," and emphasizing that "thanks to the people's votes and the opposition, friends and enemies, Abdala has returned."

He emphasized the "heroic struggle of his brothers" who have defended the honor of his family, along with the members of the bloc of Roldosist deputies who made amnesty for Ab. Abdala Bucaram possible.

"My return means a seed that will put an end once and for all to monopolies exercised by the powers of state and basically, the politicization of election tribunals, courts of justice, and the Tribunal of Constitutional Guarantees. May this lesson help Dr. Rodrigo Borja Cevallos understand that there is no power in the world or tyranny that has been able to win out over truth," he said.

"It is not true that men are the masters of their own fortune because, if it were true, if the rich were rich because they are more talented and the poor poor because of a lack of ability, then I wonder what comprised the riches of Christ, of Dostoyevski, of Socrates, men who wandered around in sandals, wearing rags, bearing a message that has now become a doctrine for all communities," Bucaram Ortiz said.

When asked about the reception extended to him by the Ecuadoran people, he said "I feel spiritually rich because I have a million Ecuadorans who today shouted 'Abdala' with such rebellion that it was like a rejection of the starvation policies of the national government."

* PRE Deputies Speak

91SM0046B Quito HOY in Spanish 8 Oct 90 p 5A

[Excerpts] Guayaquil—"You have been sent by God to save this country," Fernando Larrea, former member of the ID [Democratic Left] and currently Roldosist deputy for Guayas, proclaimed.

"I hereby proclaim you (Abdala Bucaram) president of the republic," the legislator said in his two minute speech preceding the Roldosist leader's address.

"How long the Ecuadoran people have waited to have you here (because) you have been sent by God to save this people," the elated lawmaker said.

He noted that the meeting was the beginning of a long march which, on 10 August 1992, would lead him to the presidency.

"I want to say to you, comrade Abdala Bucaram, just as million Ecuadorans have done, 'Thank you,' because you have come to save our nation's poor people," Larrea concluded.

President

Oscar Celleri, national deputy director of the PRE [Ecuadoran Roldosist Party] and a Guayas councilman, delivered a brief address saying the Roldosists were present to "express their thanks to you and proclaim you president of the republic here and now!"

Chaos, Injustice, Hunger

Finally, national legislator Marco Proano (former member of the CFP [Concentration of Popular Forces] and the Democratic Party) said that two years ago the

government promised grandiose results, glory, and justice with freedom, but today we have none of those things, only chaos, injustice, and hunger.

"Our ancestors gave their lives to save our nation and now they are burning the country to save fortunes," he said. [passage omitted]

Some 40,000 persons attended the rally, coming from all parts of the country and arriving in vehicles belonging to interprovincial transportation cooperatives and parked in the vicinity of the meeting. [passage omitted]

One individual who could not go unnoticed in the crowd was former presidential candidate Carlos Julio Emanuel, who spent several minutes walking around the five-block perimeter of the meeting place.

The main speaker at the rally did not waste his chance to praise Deputy Villamagua (who insulted Deputy Dahik), who he said "was a great hero of the congress." [passage omitted]

Roldosist deputies Marco Proano, Jacobo, Elsa and Adolfo Bucaram, Fernando Larrea, and Carlos Hidalgo and Rosa de Bucaram, Abdala's wife, were also on the platform, while the rest of the leaders listened to Bucaram from nearby. [passage omitted]

Radio Guayaquil, identified with Bucaram, began its broadcasts very early and throughout the day talked only of the arrival of the PRE leader, calling him "the president in 1992."

"Today we gave the oligarchy a black eye," Roldosist Deputy Jorge Bustamante (Loja) said in an interview with director of the Vitiron polling institute Ruben Ponce Perlaza. The meeting ended without incident.

* Bucaram's Populism Assessed

91SM0046C Quito HOY in Spanish 7 Oct 90 p 6A

[Text] Guayaquil—On 10 August 1979, a new democratic phase began for the country with the ascent to power of Jaime Roldos, who, in a CFP [Concentration of Popular Forces] -Christian Democratic coalition with Osvaldo Hurtado in the vice presidency, assumed office as president.

However, Ecuador's democratic opening also meant the popular promotion of the 21 programmatic points of the force for change sponsored by a strong middle class, which up to that time had only played its "Sanduche" card and which was now taking its place as a center-left government.

The young chief of state, related to the Bucarams by his wife, Martha Bucaram, also brought his brother-in-law Abdala into government. The latter was a young man of 27 who began his work in the shadow of Roldos on 13 August of that year as intendant general of the Guayas Police.

His performance in that post would be his letter of introduction to public opinion and did not take long to create popular expectations due to his constant run-ins resulting from his image as a tireless fighter for law and order, particularly in the case of persons enjoying some status in the social strata of power.

Like many Guayaquil natives, Bucaram was educated at the Salesian Cristobal Colon, at the time "the" school was attended by children of the Guayaquil elite. However, despite that fact, he was also an ordinary boy from the traditional middle-class district of Seguro, adjacent to the residential area known as Centenario, citadel of the upper class in the southern part of the city.

His identification with the lower classes was forged by the constant conflict with the rich, which won him the image of the avenger of people's rights which did not take long to bear fruit when he later founded the Ecuadoran Roldosist Party and was elected mayor of Guayaquil in 1984.

However, the bases of this image were permanently laid during his controversial administration as that of an implacable intendant who, due to the vociferous characteristics of his style—half vulgar shouter and half *enfant terrible*—was gradually undermined in the people's consciousness as broad sectors came to identify him with the indisputable dramatic force of his violent, threatening gestures always presented as a fight for the poor.

His violent style went beyond Ecuador and in an article published in the MIAMI HERALD in the United States, journalist Hernan Turner labeled him the "Latin Ayatola," the nickname being a serious reflection of the fanatical side of his personality.

The nickname went well with his Middle Eastern ancestry. Son of a Cuenca merchant of Lebanese descent, Abdala fit in perfectly with the stereotype of the prudish gentleman, but he was also someone terribly fanatical and implacable in his fight against the evils of the world and his defense of morals.

The American reporter lists the 16 commandments which Bucaram had posted on his office wall and describes his airs so typical of Middle Eastern societies, with an ultraconservative morality and an arbitrary and inflexible form of coercion.

However, during his term as intendant, Bucaram managed to take in nearly $1.3 million, according to the American reporter's article of 24 September 1980, and not in a totally orthodox manner, judging by the constant complaints of extortion and blackmail discussed in more than one Guayaquil editorial.

The capital newspaper EL TIEMPO also published an article labeling Bucaram as "Our Khomeyni: Home-Grown" narrating the reaction of the young Guayaquil intendant when a lady wearing a skirt slit up the side entered his office. Abdala turned his back on the woman and ordered his secretary to get a needle and thread to sew up the skirt, later explaining to the lady in question that he merely wanted to protect her from "men less saintly" than himself.

After Death of Jaime Roldos

But it was not until the tragic episode of Roldos' death that Abdala came into his own as a politician and began his march for the people's will.

Immediately following the fatal accident, he turned into the standard-bearer seeking vindication for the president's death, considered a crime by various groups, and lashing out with accusations at the alleged authors, led by the man who then moved up to the presidency, Osvaldo Hurtado. This led Bucaram into a series of public situations which he used to build his public image.

Even though he contributed nothing to the investigations of the special congressional commission set up in 1982 to clarify the circumstances surrounding Roldos' death, Bucaram constantly attacked the government and assumed leadership of the cause of the late president, whose image grew to such an extent that his name was used when Bucaram founded the Ecuadoran Roldosist Party, resorting to the old trick of building on popular sentiment for the chief of state as his own springboard to power.

But not even Abdala himself was aware of the scope of his popularity when, in 1984, he swept away all contenders and was elected mayor of Guayaquil.

As head of the port city, he expanded his spectrum of support through political propaganda generated by taking advantage of public works. Guayaquil began to suffer the attacks of crushing publicity on two fronts: the city and the Guayaquil Urban Development Fund, FODUR, of which, as chief executive officer of the city, he was automatically president.

But the office of mayor also enabled Abdala to build a party structure and consolidate his power over a totally subservient membership which he owned and manipulated with a tyranny he wields today and which shaped him as a populist and authoritarian.

His municipal administration began with a series of administrative changes and the removal of many municipal employees whom he replaced with people of his own, including his brother-in-law and neighborhood friends.

The changes can be summarized as the consolidation of party machinery and the formation of armed groups brought together from among the lower classes and led by traffickers in land. The business of land occupations had reached its peak and Bucaram played a role in it while expanding his voter base.

Confrontations occurred one after the other with the different sectors, confrontations that were not so much political as they were over power in the land trafficking business. The city began to issue deeds of property right and left in its attempt to expand its voter base.

This is when the archenemy, the sadly famous *Comandante Duro* [Major Hard], Jaime Toral Zalamea, emerged, a seasoned criminal involved in the land occupations and virtual owner of a vast area south of the city which he named Las Malvinas. Toral Zalamea had connections with a sector of the Guayaquil right and began to fight Abdala openly.

Deaths began to occur within the ranks of Bucaram's "puppets" and the death of Metropolitan Police Chief Merlin Arce, an armed organ of the municipality constantly used by Abdala to commit his abuses, was followed by the murder of German Zambrano, Bucaram's trusted aide.

Exile in Panama

Shortly thereafter, in September 1985, he suddenly fled to Panama following the beginning of a trial involving a provisional arrest order stemming from an accusation based on an auditor's report alleging embezzlement in connection with a gravel-hauling contract for low-income districts.

The constant policy of violence is expressed throughout his election rhetoric when, after a provisional stay of proceedings, he returned to the country in August 1987 to the same spot announced today—29th and Oriente—heart of his Guayaquil neighborhood, with an image further exaggerated by the self-exile he shrewdly disguises as a cruel banishment and which he used to channel the people's sympathy to catapult him into the second ballot of the 1988 presidential elections.

The suggestive slogan "The strength of the poor" repeatedly used during his campaigns is accompanied by violent Roldosist irruptions into the Hall of Justice, more than once hurt by name-calling and arrogant insults hurled at each and every one of the judges who at any time handled his trial during the five years it lasted.

The violence of his rhetoric is combined with a peculiar attitude aimed at concealing his errors or those of his subordinates and, what is more, taking advantage of the most diverse circumstances.

For example, during the 1988 campaign, a propaganda stamp was issued showing his younger children bloodied as a result of an alleged act of repression by the government.

The image of the long-suffering exiled leader was exploited to the fullest by Abdala, to the point that he managed to turn to his own favor a "slip" in Panama when he was allegedly discovered in possession of cocaine in a hotel, and subsequently maintained it had been a setup planned by the government of Leon Febres Cordero. The people believed him, as demonstrated by the over 1.5 million votes he received in the most recent presidential elections which made him a boss.

Shortly after he lost the second ballot running against Rodrigo Borja in May 1988, "Dalo," as he is called by his closest friends, had his provisional stay revoked and a warrant for his arrest was again issued in September of this year, causing him to return to Panama for the second time until Sunday, 7 October 1990, the date of his return.

Bucaram's ability to attract the people reached its highest expression in the past sectional elections when, following a municipal administration labeled as disastrous exercised by his sister Elsa and marked by the tragic episode of the fatal distribution of toys on 23 December 1989 (resulting in four deaths and hundreds of injuries), he again tipped the balance and came in second, facilitating the formation of a majority in Congress.

The Roldosist leader has now won amnesty in Congress despite the fact that in his trial, he did win a provisional stay while suffering a setback for which he may pay some political cost. Two days before the amnesty resolution, his brother Jacobo and the PRE [Ecuadoran Roldosist Party] bench physically broke in and brutally beat up three members of the opposition as the parliamentary majority passively looked on.

* PRE Publishes Interview

91SM0046D Guayaquil EL UNIVERSO in Spanish
6 Oct 90 p 1, Sec 2

[Report on interview with Abdala Bucaram, Ecuadoran Roldosist Party (PRE) founder, in a book published by the PRE entitled "The Truths of Abdala: Testimony"; first three paragraphs EL UNIVERSO introduction]

[Text] Within the context of a profound divorce with the Ecuadoran Episcopal Conference, a belligerant position on the nation's Armed Forces (in which he has proclaimed a total lack of confidence), a defiant attitude toward the Social Christian Party, and a serious challenge to former President Febres-Cordero and potential presidential candidate Jaime Nebot Saadi, Roldosist leader Abdala Bucaram Ortiz prepares to return to the country tomorrow, Sunday, the 7th.

The political thought of the former mayor of Guayaquil and founder of the Ecuadoran Roldosist Party (PRE) is contained in an interview said to have been conducted in Panama and published verbatim in a book published in Quito, with the approval of the PRE boss, entitled "Las verdades de Abdala" [Truths of Abdala] with an epigraph entitled "Testimony."

The book contains 106 pages and is divided into 12 chapters giving a biographical account of Bucaram's life from childhood, along with a chronology of his political journey. It tells how the PRE was organized, details his career in sports, describes his time in public service, explains the reasons for his trial and his two voluntary exiles in Panama, judges the work of the past three governments of Ecuador, and outlines his doctrinary principles, concluding with a message from Abdala to the people.

Bucaram confesses that he views himself as a radish: "I am a man who is bright red on the outside but very white inside," adding that this is why, when people occasionally judge him without knowing him very well, they are confused by his formality, inasmuch as "when things of substance hurt interests, it is of no interest to analyze them."

He says that philosophically, he identifies most with Jaime Roldos, although politically he is closest to Assad Bucaram. However, he clarifies that he has defined his own line "based on an antioligarchic, anti-imperialist, and profoundly nationalist conception." In the final analysis, he is a "vanguard social democrat, outside the Socialist International because that generates dependency."

He notes that the initial concept of Latin American Social Democracy condemns imperialist policy and is defined as an anti-imperialist constitution, although it does not truly develop it. "That is basically the difference with us in practice. That is why we are truly social democrats," he emphasizes.

Breaking With Church

Bucaram defines himself as Catholic and profoundly Christian, but at the same time says he is disappointed with the Church, except for the kind priests who identify with the people in rural areas. "I am talking about the crooks [sic] of the Episcopal Conference, those great ecclesiastical oligarchies that make up the rank and file of the system in Ecuadoran politics, Latin American politics, world politics, who only act as dinner companions, rugs walked upon by the big oligarchs or military men," the PRE leader said.

After claiming to laugh at such men, he recalls an incident with his country's ecclesiastical hierarchy during the last election campaign when he was invited to a meeting of the Episcopal Conference. He was told, "Mr. Bucaram, we expect you to show some culture."

To which he replied: "What kind of culture, gentlemen?" Then he adds, "I told them to go to hell. 'You are demanding culture of whom, my friends? A professional of the law? A popular leader? Why don't you take off your cassocks, throw away your ecclesiastical titles, and go the hell...say mass for the dirty, forgotten people? You are the ones who erect great monuments, forgetting about the poor, forgetting the people.'"

Relations With Armed Forces

In another part of his speech, he said the oligarchy was everywhere. "I think there is a big oligarchy in the Church. I think there is a big oligarchy in the Armed Forces. I think there is a big oligarchy in private enterprise, and I think there is a big government oligarchy because even if the president of the republic has a great message and great intentions, the system drags him down."

Concerning his problems with the Armed Forces, he made it clear it was "that idiot Albuja" who judged him by military honor and added the name of Pineiros, whom he called a "thief, a scoundrel, and a weapons trafficker."

Bucaram again referred to the Armed Forces in the interview in connection with his 1988 presidential candidacy to recall that when it was hinted that he not return home, he replied: "I am going to be a candidate for the

presidency and I don't care what you think (the government of Febres-Cordero). I don't trust the Armed Forces. I don't trust that elite group of crooks that write men's rules in Ecuador."

Borja's Government

Bucaram devotes a special chapter to the government of Rodrigo Borja, entitling it, "I accuse."

"I think the government of Dr. Rodrigo Borja Cevallos is no more and no less than the government of Leon Febres-Cordero, the government of Dr. Osvaldo Hurtado, the government of military dictatorship, the Velasco governments, the government of Camilo Ponce, the government of Galo Plaza, the government of Ignacio de Veintimilla, the government of Isidro Ayora. It is just another government."

He claims that "to tell the Ecuadoran people the truth, we have to base our conclusions on what Dr. Borja said and did" and conclude that Borja is "the biggest liar in politics of the 20th century. Dr. Borja was not qualified to be president and is proving it. He is a man who does not deserve to hold the office of President. He constantly lies to Ecuador about the apoplication of policies from top to bottom. The president of the republic is a Pinochio, a man who swindled the republic of Ecuador. The situation would have been different with Abdala."

Likewise, he states in the book that he won "the recognition of the citizenry as a good mayor" while "fighting with that slave of politics Nebot." He goes on to say that "I was a hell of an intendant, such a hell of an intendant that when I arrived, I collected 300 million."

Hurtado Better

In one of the many digressions in "The Truths of Abdala," he emphasizes what he owes to Hurtado. Bucaram's opinion is conceived in the following terms: "I admit that of the last three presidents, Hurtado is the one who knows the most about what democracy is because in spite of everything, he never did to me what Febres-Cordero did, what Borja did, two real tyrants."

He also denies that Borja beat him in the last elections. "Borja did not beat me; the oligarchy beat me," he says, going on to explain why he supported him in the second ballot in 1984. This is how Bucaram reasons:

"In 1984, I confronted the Ecuadoran right directly. The only party that supported Borja publicly and campaigned for him was the PRE, not because we liked him, but because we could not help the oligarchy. And even though Borja was also a lackey of the oligarchy, we still thought he was better because he followed a social democratic line like our own, although we are not affiliated with the Socialist International because our orientation is eminently nationalist."

However, as time went by, his opinion of the president changed and changed diametrically: "Borja is a bastard who is ruining the country." He even warned the interviewer: "Believe me, if I ever turn out to be like Rodrigo Borja, I'll put a bullet in my head!"

Borja's Qualities

Despite these remarks, Bucaram said in another part of the interview that "the only good thing about Borja's government is that he released the Taura commandos," and went on to recognize Frank Vargas' revolt as "a historic necessity." He then added that "Borja's action was brilliant. It was an important action for the good of the republic, for the application of justice."

Along these same lines, he observes that "talks with guerrilla groups are also positive actions undertaken by the president's government because to plunge into a confrontation with the guerrillas in Ecuador would never be positive. It will always be better to have a policy of disarmament, a policy of peace, a policy of dialogue, because understanding can be reached through dialogue."

He went on to comment that "these are positive attitudes that many fail to recognize but, while condemning the negative and applauding the positive, we must admit that they are fundamental bulwarks of the policies of Dr. Rodrigo Borja Cevallos."

Good and Bad

Along with other issues discussed in the interview were Bucaram's attacks on Dr. Maldonado Renella, whom he labeled as "a man of doubtful reputation." He said Marcelo Merlo "is a perverse man" and dispatched Norero as a "thief."

In contrast, Bucaram is grateful to Roberto Dunn, said that Nicolas (...) "acted like a gentleman," and that socialist Fernando Guerrero (recently removed from the Superintendency of Banking with PRE votes) "is a great man, a good friend of mine." He also mentioned newsman Pinoargote.

Finally, he recalled "the most beautiful" boost he received in Panama in 1986 was when the song entitled "Freedom" was composed, and he emphasizes the extremely important collaboration he received from "the members of Images and Sounds of Quito." Here he points out that at the time, the only admirers of Bucaram were "Andres Carrion and the young Polo Barriga (now national head of SENAC [National Secretariat of Social Communications]). I recall that they came here (Panama) and said we were going to have an interview. I told them, 'No, we aren't going to have any interview,' and they composed that song, which is marvelous."

Peru

Bomb Explodes at House of Leftist Senator

PY1511120890 Lima Television Peruana in Spanish 1800 GMT 14 Nov 90

[Excerpt] At 0130 this morning terrorists detonated a bomb outside the house of leftist Senator Javier Diez

Canseco, at block 3 on Barcelona Street. The explosion destroyed the door of the garage. Diez Canseco escaped unharmed. Another dynamite attack was simultaneously perpetrated on the house of Spanish businessman Pedro Alva, who was not at home at the time. Both houses are located in the Pueblo Libre District. [passage omitted]

9 Killed in Shining Path Attack on Town

PY1411234690 Madrid EFE in English 0821 GMT 14 Nov 90

[Text] Ayacucho, Peru, Nov 14 (EFE)—At least nine people, three of them children, were killed when Maoist Shining Path guerrillas attacked a town some 400 km southeast of the Peruvian capital of Lima, Army sources said Wednesday [14 November].

Residents who reported Monday night's attack in Sachabamba, a town of 3,000, said the rebels burst into the center, firing indiscriminately. They then set fire to several houses and blew up the school.

An Army patrol set out for the town Wednesday. It was formerly the site of a military base but troops withdrew a year ago after setting up a peasant militia there.

Police in the provincial capital of Ayacucho also reported Wednesday that a student had been killed in the town of Huamanga, presumably by rebels. More than 21,000 people have been killed since Shining Path took up arms 10 years ago.

* Garcia's Future, Populism Assessed

91SM0054D Lima DEBATE in Spanish Aug-Oct 90 pp 16-17

[Report by Mirko Lauer]

[Text] There is an element of parody in the immediate political future of Alan Garcia. I can see him yielding to the temptation to find parallels between his predicament these days and Victor Raul Haya de la Torre's desert crossings. If this is true, all indications are that he has not selected Haya's long journey through the northern hemisphere as the example he wants to follow in the medium term; rather, he has chosen the relative isolation of Villa Mercedes (which was a benign prolongation of Haya's asylum in the Colombian Embassy in the early 1950s). For the time being, he has imposed 100 days of silence at his residence at Chacarilla del Estanque.

As with Haya, Garcia is now shrouded in the shadow of the veto; not the veto of the military, but the ostracism that effective legislation against reelection would mean for him. And as happened to Haya, Garcia seems to have no channel for his triumph or his frustration other than the presidency of the republic. On the other hand, far from the presidency, Haya's political life had an activist quality, whereas Garcia's smacks of an anticlimax.

Nevertheless, even on the plains Garcia maintains his *real politik* assets: the right to proclaim his adherence to a populist platform, a relatively good relationship with the military, a historic enmity with the political right, a legitimacy within his own party, the benefits of an intensive activism on the international level, an intimate knowledge of the workings of the Peruvian government, and finally, a lifetime seat in the Senate.

Looking into Alan Garcia's political future makes sense as a reflection on the fate of populism in Peru. Although for the past year we have been living in an era of independent pragmatism in politics, many of us are convinced that Garcia will win the presidential elections in 1995, if he runs.

Garcia's enemies have managed to sell the idea that there is a profound contradiction between his policies and the population's interests, which is an easy thing to demonstrate these days. To stop Garcia, however, these people will have to demonstrate as well that the proposals of the main political forces, including those who are now co-governing, either close at hand or from afar, have some identity with the interests of the people. Politicians and economists who favor economic belt-tightening say it will take anywhere from 18 months to four years for the austerity to bear fruit. And no one can guarantee that this austerity will end up benefiting the majority.

But even if the present government should manage to get the economic and social process moving in a positive direction, politics will remain, as it was in 1990, a polemic between realities and expectations that are at opposite ends of the spectrum. That gap will be maintained by populism, which has been viable for a long time in Peru. No one has ever won an election in Peru by promising "blood, sweat, and tears," perhaps because they have always flowed in such abundance here. The platform that proposes a prosperity unhampered by sacrifice, an idea with deep roots in the European myths about the local bonanza, is still a powerful electoral tool in this country. Garcia understands better than anyone that the essence of this platform is not the economy, but the obsession with identity. The pro-business orientation that has prevailed on the right since the mid-1970s conceives this as an exotic, even indecent idea.

Those who think it will be the politicians of the Aprist Party itself who will place obstacles in the way of Garcia's return to the presidency may be misplacing their hopes. It is one thing for Luis Alva Castro's relative success in the elections to guarantee his position as general secretary of APRA [American Popular Revolutionary Alliance] today, and quite another thing for Aprists to resist the political charms of the man who put them in office once before.

This is not to deny that regaining predominance in his party, which is imperative for Garcia's future, will be the longest and most difficult part of his next political phase. But for Luis Alva Castro, his most conspicuous rival for the presidential candidacy in 1995, the problem seems to be unsolvable: Both the eventual collaboration between his teams and the Fujimori administration and the option to radicalize towards the left will probably have the effect of reinforcing the notion of Garcia as opposition candidate. On the other

hand, it is virtually impossible for Aprist sentiment not to rally around Garcia if the present accusations against him take root. The next APRA congress, scheduled for February 1991, will provide the first indication of how this mechanism is to operate.

But while he is regaining his predominance within APRA, Garcia has a few things to gain from his current position on the sidelines, and all involve capitalizing on the genuine hatred he inspires in the right. To a great extent, the left's electoral decline since 1983 has been attributable to its inability to embody an anti-rightist attitude that would attract all those who have non-ideological grievances and are seeking new rules of play in Peru, either for capital or for labor. The crisis in the relationships of the parties of the parliamentary left and large pockets of the labor movement creates a space where Garcia can maneuver.

The challenge of taking action in the trade union sphere, where many outdistance him in experience and prestige, will be one of many tests of Garcia's ability to adapt to the new long-term situation that is emerging with the present economic adjustment. The question about the future of a populist *caudillo* also applies to the prospects for populism in society. If the Andean region is moving toward a "Lebanonization," that is, an outbreak of perpetual violence—a possibility that cannot be discounted—then there is not much point in analyzing Garcia's current political position.

Populism in the system can only be explained as the political resource for controlling the masses to avoid a social confrontation. In a context of open confrontation, Garcia's advocacy of reasonable radicalism would not thrive. In the other possible scenario, that of a timely and gradual normalization of conflicts and economic-social bottlenecks, Garcia would also have to modify his current stance to accommodate the bourgeois hegemony without confrontation that would then develop.

I mention these ideas because it would be a mistake to limit the horizon of Garcia's activities to 1995. We should not rule out the possibility that it might be a bad year for him. But part of Garcia's impact, like that of Javier Diez Canseco, lies in the fact that he is just over 40, when most of the country's political leadership will probably not live to see the year 2000. It is important to have a long life expectancy in a country where coup could easily install a long-lasting military regime.

Consequently, the time frames, options, and expectations of the youngest leaders are different. For example, Garcia's obvious distaste for his successor's presidential actions has distracted commentators from the fact that one of the strategic objectives he was said to have during this period was to avoid being succeeded by an Aprist president. But Garcia's successful effort has created a national situation in which he will never be the same person again. It is unlikely that the populism he advocates in his next campaign will be much like the one that swept him into office in 1985. That new formula is what he should be pondering and shaping at his fortified refuge in Chacarilla.

* Impact of Economic 'Shock' Program Viewed

91SM0054C Lima DEBATE in Spanish Aug-Oct 90 pp 15-16

[Report by Luis Pasara]

[Text] It took him precisely 60 days to go from his election victory based on promises of no shock to the announcement of what amounts to the most severe economic shock the country has ever undergone. In an important measure, what ends up happening to "a president like you" will depend on the fate of the stabilization plan. But the problem is not just economic.

The country's elite seems to agree that the shock was economically necessary. Few are asking themselves, however, whether it is socially viable. This is especially true of Fujimori. Because a shock treatment administered by the Democratic Front (FREDEMO) would have been the harsh purgative that the citizenry had decided to take. A purge with deceit was the political option taken by President Fujimori. Even assuming that it does bring stabilization, and that is more than doubtful, everyone—not just him—will have to pay for the deceit.

The majority (53 percent) of those who voted for Fujimori in Lima told an APOYO survey after the shock was announced that they felt deceived by the new president. One more deceit in the history of governing in Peru. A deceit carried out by one who was not part of the political class, and was probably elected by it. A deceit that appears to prove the assertions of those—on the right or the left—who contend that democracy is not effective in our countries. This is so either because popular consultation does not pave the way for technical solutions to problems, or because voting is a kind of betting that usually results in betrayal.

If the program works, the positive effects with regard to the levels of poverty will not become apparent until the medium term. If the program does not work, its only effects will be negative. In either case, Fujimori's constituency, which belongs to the poorest sectors, will be hit hard once again. It has already been hit, as indicated by the fact that the lowest-income 50 percent of the Lima population already disapproves of Fujimori.

One might object that this is true elsewhere as well. But not as much. In Argentina, Menem took a longer time to turn around: Only now, after a year in office, has he openly become a liberal. And he needed that time to make sure he had the backing of a society that, though devoted to Peronism, is not as poverty-striken as Peruvians are today.

In Brazil, Collor de Mello is another unique case. Not only because—unlike Menem and Fujimori—he announced the shock and won on that platform, but primarily because the poor in his country, mostly voters

from Lula, saw that higher-income people were paying the bulk of the price of the adjustment by having their accounts and deposits frozen. In Peru, aside from a few phrases in speeches, it is not clear that those who have the most will pay the most.

On the contrary, those who already paid for the shock, and will continue to pay for it, are those with the least: those who voted for "a president like you," or rather, like them. We are not yet in a position to determine whether Peru is economically governable, but the shock has reduced our political governability.

In other words, aside from the government's doubtful capacity to manage the economy, its prospects for keeping the social actors in the current political game have dimmed alarmingly. Fujimori has moved away from the legitimacy that, as the accidental beneficiary of a vote against his opponent, he should have had to make his government viable. Consequently, if Fujimori were not an authoritarian, his main concern would have to be who would form the mainstay of his administration.

Attempts to base it on the forces of the left, although they would have to remain in the government posts that have been handed out, appear to be remote. The Socialist Left (IS) may provide technical competence but not political legitimacy, given its four percent share of the vote. The United Left (IU) could provide such legitimacy through its influence on organized popular sectors; but the dichotomy of accepting the posts and participating in the protests against the shock program would end up discrediting this front.

The American Popular Revolutionary Alliance (APRA) is on the other side, trying to reestablish itself as an option. And the people of Fredemo are afraid they will be burned in a gamble that, in the final analysis, is not theirs. Since he moved over to the Military Circle, Fujimori appears to have decided that his only possible support base lies in the Armed Forces. This is the outcome most fervently desired by the subversive movements. And the picture will look different when Fujimori himself becomes an obstacle to those who are now offering him protection.

* Obstacles to Economic Stabilization Noted

91SM0054A Lima CARETAS in Spanish 9 Oct 90 pp 16-17

[Text] Despite the 13.8-percent inflation recorded by the National Institute of Statistics (INE), which surprised insiders and outsiders alike (read: the government), the public has a reasonably optimistic attitude of expectation with regard to the success of the economic program launched last August. Stumbling blocks remain, however, and they may threaten the progress of the program. The inevitable result would be another round of belt-tightening.

Since no one wants to find himself in such a spot, it would be a good idea to heed the warnings that some experts are issuing.

Manuel Romero Caro, editor of the new economic daily GESTION, believes that in general things are on the right track. According to Romero, there are several dangers that must be warded off to avoid a second belt-tightening effort. They are:

- Waffling on wage policy. Announcements to the contrary notwithstanding, the Labor Ministry has responded to the demands of the Peruvian Bank Employees Federation (FEB) and FAMESA [Fuses and Explosives Factory] by indexing wages to inflation. If this trend spreads, it could lead to a new outbreak of inflation expectation.
- As for companies that produce for the local market, the increase in the cost of labor would automatically be passed on to prices. And with regard to the export sector, it would lose its competitive edge because it would not be able to pass on the new costs to its final prices.
- Tariff policy currently aims to combat the inflationary spiral. Nevertheless, it may be that international prices will be higher than the prices of the national goods in some cases. Consequently, international prices in these cases could drive up local prices.
- To avoid distortions or undesirable phenomena that are not necessarily identifiable at present, it would be a good idea to pass a number of laws to set minimum import duties, combat dumping and monopolies, and protect the consumer.

Exchange Rate

Finally, the principal problem the government will have to face in the immediate future is how to raise the exchange rate without sparking a new outbreak of inflation, if it is considered imperative that the exchange rate rise over a period that should not last too long.

Roberto Abusada, on the other hand, feels that the greatest danger is that the initial success of the program will be frittered away by the government with populist measures that are not even appreciated by their beneficiaries. This month, for example, the minimum wage was raised by a greater percentage than the inflation rate; in other words, they have made it retroactive. No one will be able to control inflation if minimum wages are raised in this manner.

According to Abusada, wages should not be squeezed further, but neither should they be raised until inflation gets out of control, until the economy does not remonetize again. We cannot release more money than people are willing to take, because they will immediately run out and buy things.

As for tariff policy, Abusada believes that several mistakes have been made. Too much protection has been provided for some sectors and products, such as vehicles and meat. A 60-percent tariff on meat will not benefit ranchers, only merchants. In fact, it is beef and chicken prices that are now rising the fastest. This item alone has driven up the inflation rate by a whole point in the last week.

Other dangers Abusada sees include the failure to manage the package. Tax reform, monetary policy, cash policy, compensation policy, and interest rate policy are being ignored.

All of this economic management has a lot to do with orthodoxy, because there are no heterodox prescriptions for controlling inflation. Hence the problem of selecting an economist who is anything but a monetarist to be president of the Central Reserve Bank (BCR), when that is what the post demands. Chavez will not fit in easily with the inflation control program, says Abusada.

The problem is that if there is a resurgence of inflation, the adjustment required to cope with it will be even worse than the previous one. We could sink even further than we already have.

[Box p 17]

Wild Inflation

The 2.2-percent inflation rate recorded by Cuanto for the week ending Friday 5 October somewhat attenuated the terrible effect of the one percent rise in a single day caused by the hike in chicken prices on Tuesday the 2nd. It does not, however, offset the tremendous psychological impact produced by the 13.8-percent monthly inflation rate announced by the INE for the entire month of September.

The difference with Cuanto, which gave a figure of 3.7 percent for the same period, and with Apoyo, which said 4.4 percent, is attributable to the well-known methodological differences. Nevertheless, the huge disparities in these figures caused a great commotion that prompted the new president of the BCR, Jorge Chavez, to propose Saturday that a single index be used—the official one, of course—and that private indices be discontinued.

The fact is that the INE erred in announcing such a large figure without an appropriate explanation. Most merchants set their prices according to the inflation indices, and they prefer to go by the higher figure.

According to Manuel Moreyra, these disparities are also owing to the confusion in prices that followed the record inflation of August. Many prices surpassed each other then, and although there was a readjustment in September, it was disorderly.

In this regard, September and October should not be regarded as significant months for the purpose of proving the success of the measures, since the economy will just be getting on track in November and December. The ideal goal, he says, is to enter next year with a maximum monthly inflation rate of one percent, not the four or five percent that can optimistically be expected for these months.

The worst thing would be to return to double digits. Hence the pernicious psychological effect of the index recorded by the INE.

In a survey conducted by Cuanto at the 4th National Congress of Private Industry, the majority of businessmen expressed the opinion that the monthly growth rate of prices in the coming months will be seven percent through the end of the year. In 1991, on the other hand, they feel the rate could fall to six percent, which they still recognize is high.

Venezuela

Gaviria, Perez Sign 16-Point Joint Agreement

PA1311222690 Bogota Radio Cadena Nacional in Spanish 1200 GMT 12 Nov 90

[Text] San Cristobal, Venezuela—The presidents of Colombia and Venezuela who have been meeting here have signed a 16-point program. The bilateral commission of border integration will implement the program as of today.

The two presidents, Cesar Gaviria and Carlos Andres Perez, studied the report presented by the commissions on the work done so far, and then signed a joint declaration and set the guidelines to be followed by the commisssion.

The 16 points deal with the following topics: study and drafting of the border integration project for the State of Tachira and the northern Department of Santander; rules for transportation along the border and proposal for highway links between Tachira, Zulia, and the Departments of Santander, Cesar, and Guajira; expediting of work on the San Antonio customs point to upgrade it to a national border center; work sessions between the two customs services to facilitate transportation of foodstuffs and a plan for the joint use of food surpluses; plans for tourism exchange; telephone and electricity connections among border areas; supply of fuels to border areas with inadequate supply sources; health and education programs; fishing laws along border areas; and joint laws on ecology.